

PRINCE GEORGE'S COUNTY CIRCUIT COURT (Land Records) VJ 10555, p. 0020, MSA_CE64_10636.E

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MARLEIGH COMMUNITY ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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CIRCUIT COURT

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

MARLEIGH COMMUNITY ASSOCIATION, INC.

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 17th day of January, 1996, by Enterprise Hills Associates Limited Partnership, a Maryland Limited Partnership, (hereinafter referred to as "Declarant");

Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the Properties (as defined herein) mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of real property within the Properties. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Properties, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Properties as are now or hereafter subjected to this Declaration;

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property which is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) 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 subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof. This Declaration does not and is not intended to create a condominium within the meaning of the Maryland Condominium Act, Real Property Article, Annotated Code of Maryland § 11-101, et seq.

SECTION I

1. Definitions.

1.1. "Architectural Control Committee (the "ACC")" shall mean the committee that may be established by the Board of Directors pursuant to Section 11.1 hereof to assure that the Property shall be maintained in a manner consistent with the purposes and intents of this Declaration.

1.2. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Declaration or by contract or agreement with any

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Neighborhood become the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Properties, or any public rights-of-way within or adjacent to the Properties, may be part of the Area of Common Responsibility.

1.3. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Marleigh Community Association, Inc., as filed with the Secretary of State of the State of Maryland.

1.4. "Association" shall mean and refer to Marleigh Community Association, Inc., a Maryland non-stock, nonprofit corporation, its successors or assigns, which shall be governed by a Board of Directors (or "Board"), which shall be the elected body having its normal meaning under Maryland corporate law. The use of the term "association" or "associations" in lower case shall refer to any association having jurisdiction over any part of the Properties.

1.5. "Association Documents" shall mean, collectively, the Articles of Incorporation, this Declaration and the By-Laws, all as the same may be amended from time to time. Any exhibit, schedule, certification or amendment to an Association Document is an integral part of that Document.

1.6. "Base Assessment" shall mean and refer to assessments levied against all Units in the Properties to fund Common Expenses.

1.7. "Board of Directors" or "Board" shall mean the executive and administrative entity established by the Articles of Incorporation as the governing body of the Association.

1.8. "By-Laws" shall mean and refer to the By-Laws of Marleigh Community Association, Inc., as they may be amended from time to time.

1.9. "Class "B" Control Period" shall mean and refer to the period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board of Directors, as provided in Article III, Section 2, of the By-Laws.

1.10. "Common Area" shall be an inclusive term referring to all General Common Areas and all Exclusive Common Areas, as defined herein. The initial Common Area which shall be conveyed to the Association prior to the conveyance of a Unit to any Unit purchaser other than a builder or developer holding title for the purpose of development and resale is more fully described on Exhibit "B" attached hereto.

1.11. "Common Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the general

benefit of all Unit Owners, including any reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

1.12. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors, but shall not be reduced below the level established by the Declarant as of termination of the Class "B" Control Period.

1.13. "Declarant" shall mean and refer to Enterprise Hills Associates Limited Partnership, a Maryland Limited Partnership, or its successors, successors-in-title or assigns who take title to any portion of the property described on Exhibit "A" for the purpose of development and sale.

1.14. "Exclusive Common Area" shall mean and refer to certain portions of the Common Area which are for the exclusive use and benefit of one or more, but less than all, Neighborhoods. All costs associated with maintenance, repair, replacement and insurance of Exclusive Common Areas shall be assessed against the Owners of Units in only those Neighborhoods which are benefitted thereby as a Neighborhood Assessment, as defined herein. By way of illustration and not limitation, Exclusive Common Areas may include recreational facilities intended for the exclusive use of Owners within a particular Neighborhood or Neighborhoods and supported exclusively by Neighborhood Assessments. Initially, any Exclusive Common Areas shall be designated as such and the exclusive use thereof shall be assigned in the deed conveying the Common Area to the Association. A portion of the Common Area may be assigned as Exclusive Common Area of a particular Neighborhood or Neighborhoods and Exclusive Common Area may be reassigned upon the vote of a majority of the total Association vote, including a majority of the votes within the Neighborhood(s) to which they are assigned.

1.15. "General Common Area" shall mean all real and personal property which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners including specifically all property designated "to be conveyed to Homeowners Association" on the subdivision plats for Marleigh recorded or to be recorded among the Land Records of Prince George's County, Maryland

1.16. "Marleigh" shall mean and refer to the Properties.

1.17. "Maryland Contract Lien Act" shall mean §14-201, et. seq. of the Real Property Article of the Annotated Code of Maryland, as the same may be amended, supplemented or replaced, from time to time.

1.18. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein.

1.19. "Mortgage" shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

1.20. "Mortgagee" shall mean and refer to a beneficiary or holder of a Mortgage.

1.21. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

1.22. "Neighborhood" shall mean and refer to each separately developed and denominated residential area comprised of one (1) or more housing types subject to this Declaration, whether or not governed by an additional owners association, in which owners may have common interests other than those common to all Association Members, such as a common theme, entry feature, development name, and/or common areas and facilities which are not available for use by all Association Members. For example, and by way of illustration, the townhome development, and single-family detached housing development shall each constitute a separate Neighborhood. In addition, each parcel of land intended for development as any of the above shall constitute a Neighborhood, subject to division into more than one (1) Neighborhood upon development. Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (established in accordance with the By-Laws) or Neighborhood Association (as defined in Section III) having jurisdiction over the property within the Neighborhood. It shall not be necessary for any Neighborhood to be governed by an additional owners association except as required by law. Neighborhoods may be divided or combined in accordance with Section 3.3 of this Declaration.

1.23. "Neighborhood Assessments" shall mean assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses. Any Neighborhood Assessment shall be levied equally against all Units in the Neighborhood benefitting from the services supported thereby, provided that in the event of assessments for exterior maintenance of structures, or insurance on structures, or replacement reserves which pertain to particular structures, such assessments for the use and benefit of particular Units shall be levied on a pro rata basis among the benefitted Units.

1.24. "Neighborhood Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the benefit of Owners of Units within a particular Neighborhood, which may include a reasonable reserve for capital repairs and

replacements, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein.

1.25. "Owner" or "Member" shall mean and refer to one (1) or more Persons who hold the record title to any Unit which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner. If a Unit is subject to a written lease with a term in excess of one (1) year and the lease specifically so provides, then upon filing a copy of the lease with the Board of Directors the lessee (rather than the fee owner) will be considered the Owner.

1.26. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

1.27. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto, together with such additional property as is hereafter subject to this Declaration by Supplemental Declaration.

1.28. "Recreational Facilities" shall mean and refer to those recreational facilities approved by Prince George's County Planning Board and constructed by the Declarant in accordance with a Recreational Facilities Agreement entered into with The Maryland-National Capital Park and Planning Commission, a copy of which is attached hereto and made a part hereof as Exhibit C.

1.29. "Residence" shall mean and refer to a structure now or hereafter erected upon and attached to a Unit, which structure is to be used solely for single-family residential occupancy.

1.30. "Special Assessment" shall mean and refer to assessments levied in accordance with Section 10.4 of this Declaration.

1.31. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration executed by or consented to by Declarant which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or designates Voting Groups as specified in Section 3.3.2 hereof. The term shall also refer to the instrument recorded by the Association pursuant to Section 8.2 of this Declaration to subject additional property to this Declaration.

1.32. "Unit" shall mean a portion of the Properties, whether developed or undeveloped, intended for development, use, and

occupancy as an attached or detached residence for a single family, and shall, unless otherwise specified, include within its meaning townhouse units and single-family detached houses on separately platted lots, as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or a part of the Properties. The term shall include all portions of the lot owned including any structure thereon. In the case of a structure which contains multiple dwellings, each dwelling shall be deemed to be a separate Unit. Until such time as a subdivision plat is recorded in the Prince George's County, Maryland, public records with respect to a parcel of land within the Properties, the parcel shall be deemed to contain the number of Units designated for such parcel on the master Land use Plan or the site plan approved by Declarant, whichever is more recent. After such a plat is so recorded, each separately platted lot on the recorded plat shall constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

1.33. "Voting Group" shall mean one (1) or more Voting Members who vote on a common slate for election of directors to the Board of Directors of the Association, as more particularly described in Section 3.3.2, of this Declaration or, if the context permits, the group of Members whose Units are represented thereby.

SECTION II

2. Property Rights.

2.1. Rights of Owners. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association, and also subject to the right of the Association, acting through the Board:

2.1.1. to limit the number of guests, and to adopt rules regulating the use and enjoyment of the Common Area;

2.1.2. to suspend the right of an Owner to use Recreational Facilities within the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation, of the Declaration, By-Laws, or rules of the Association after notice and a hearing pursuant to the Article III, Section 22 of the By-Laws;

2.1.3. to dedicate or transfer all or any part of the Common Area pursuant to Section 14.5 hereof.

2.1.4. to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred subject to the approval requirements set forth in Section 15.2 hereof; and

2.1.5. the rights of certain Owners to the exclusive use of portions of the Common Areas, designated Exclusive Common Areas, as more particularly described in Section 1.14, provided that any Owner may delegate his or her right of use and enjoyment to the members of his or her family, lessees and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee.

2.2. Preservation by Declarant. Declarant reserves the right to amend this Declaration unilaterally at any time so long as it holds an unexpired option to expand the community pursuant to Section VIII hereof, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for Marleigh desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for Marleigh. Any such amendment must comply with the laws of Prince George's County, Maryland.

SECTION III

3. Membership and Voting Rights.

3.1. Membership. Every Owner, as defined in Section I, shall be deemed to have a membership in the Association. No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Unit owned. In the event the Owner of a Unit is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the By-Laws.

3.2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

3.2.1. Class "A". Class "A" Members shall be all Owners

with the exception of the Class "B" Member, if any. Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 1 hereof. There shall be only one (1) vote per Unit. In any situation where a Member is entitled personally to exercise the vote for his or her Unit and more than one (1) Person holds the interest in such Unit required for membership, the vote for such Unit shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it.

3.2.2. Class "B". The Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, shall be as specified in the Declaration and the By-Laws. The Class "B" Member shall be entitled to appoint a majority of the members of the Board of Directors during the Class "B" Control Period, as specified in Article III, Section 2, of the By-Laws. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board of Directors and any committee as provided in Article III, Section 3, of the By-Laws. The Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier of:

3.2.2.1. two (2) years after expiration of the Class "B" Control Period pursuant to Article III of the By-Laws; or

3.2.2.2. when, in its discretion, the Declarant so determines.

3.3. Neighborhoods and Voting Groups.

3.3.1. Neighborhoods. Every Unit shall be located within a Neighborhood as defined in Section 1.21. The Units within a particular Neighborhood may be subject to additional covenants and/or the Unit Owners may all be members of another owners association ("Neighborhood Association") in addition to the Association, but no such Neighborhood Association shall be required except as required by law. Any Neighborhood which does not have a Neighborhood Association shall elect a Neighborhood Committee, as described in Article V, Section 3, of the By-Laws, to represent the interests of Owners of Units in such Neighborhood.

3.3.1.1. Each Neighborhood, upon the affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Neighborhood, may request that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood, the cost of which shall be assessed against the benefitted Units as a Neighborhood Assessment pursuant to Section X.

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3.3.1.2. Initially, the townhouse and single family detached portion of the Properties shall each separately constitute a Neighborhood. The developer of any such Neighborhood may apply to the Board of Directors to divide the parcel constituting the Neighborhood into more than one (1) Neighborhood or to combine two (2) Neighborhoods into one (1) Neighborhood at any time. Upon a petition signed by a majority of the Unit Owners in the Neighborhood, any Neighborhood Association or Neighborhood Committee may also apply to the Board of Directors to divide the property comprising the Neighborhood into two (2) or more Neighborhoods or to combine two (2) Neighborhoods into one (1) Neighborhood. Any such application shall be in writing and shall include a plat of survey of the entire parcel which indicates the boundaries of the proposed Neighborhoods. A Neighborhood division requested by the Neighborhood or by the parcel developer shall automatically be deemed granted unless the Board of Directors denies such application in writing within sixty (60) days of its receipt thereof. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect.

3.3.2. Voting Groups. In order to guarantee representation on the Board of Directors for various groups having dissimilar interests and to avoid a situation in which the Members representing similar Neighborhoods are able, due to the number of Units in such Neighborhoods, to elect the entire Board of Directors, excluding representation of others, Voting Groups shall be established by the Declarant for election of directors to the Board. The Declarant shall establish Voting Groups not later than the date of expiration of the Class "B" Control Period by filing with the Association and in the public records of Prince George's County, Maryland, a Supplemental Declaration identifying each Voting Group and designating the Units within each group. Such designation may be amended from time to time by Declarant, acting alone, at any time prior to the expiration of the Class "B" Control Period. Until such time as Voting Groups are established by Declarant, or in the event that Declarant fails to establish Voting Groups, all Units shall be assigned to the same Voting Group. Each Voting Group shall be entitled to elect the number of directors specified in Article III, Section 6, of the By-Laws. Any other members of the Board of Directors shall be elected at large by all Members without regard to Voting Groups.

SECTION IV

4. Maintenance.

4.1. Association's Responsibility. The Association shall

maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. This maintenance shall include, but need not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures and improvements, including private streets, situated upon the Common Areas, the grassy portions of the traffic circles located in the public right-of-ways on Tavern Green Lane, the end of Huntchase Drive and the end of Marleigh Drive, as shown on the plats of Marleigh recorded or to be recorded among the Land Records of Prince George's County, Maryland, and such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association.

4.1.1. Costs. Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of General Common Areas shall be a Common Expense to be allocated among all Units as part of the Base Assessment. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Units within the Neighborhood(s) to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

4.1.2. Neighborhoods. The Association shall also be responsible for maintenance, repair and replacement of property within any Neighborhood to the extent designated on any of the recorded plats of "Marleigh" as property to be maintained by a Neighborhood and/or in any Supplemental Declaration affecting the Neighborhood. The Association shall be responsible, for the benefit of the Single Family Detached Neighborhood, for maintenance of "Parcel A" as shown on the Plat entitled "Plat One, Lots 1 and 2 and Parcel 'A', Block 'A', Lots 1 and 2, Block 'C', "MARLEIGH," recorded or to be recorded among the Land Records of Prince George's County, Maryland. The Association may also assume maintenance responsibilities with respect to any Neighborhood in addition to those designated by any plat, and/or such Supplemental Declaration. This assumption of responsibility may take place either by contract or agreement or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of the Properties as a Neighborhood Assessment. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood benefitted thereby. The provision of services in accordance with this Section shall not constitute discrimination within a class. The Association may maintain other property which it does not own, including, without limitation, wetlands, public roads, and other property dedicated to the public, if the Board of Directors determines that such

maintenance is necessary or desirable to maintain the Community-wide Standard.

4.1.2.1. The Association shall, pursuant to the terms of Section 4.1.2, maintain, repair and replace that property designated as single family Neighborhood Maintenance Area the plats of Marleigh recorded or to be recorded among the Land Records of Prince George's County, Maryland.

4.2. Owner's Responsibility. Each Owner shall maintain his or her Unit and all structures, parking areas and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to a Neighborhood pursuant to any additional declaration of covenants applicable to such Unit. If any Owner fails properly to perform his or her maintenance responsibility, the Association may perform it and assess all costs incurred by the Association against the unit and the owner thereof in accordance with Section 10.4 of this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the owner reasonable notice and an opportunity to cure the problem prior to entry.

4.3. Neighborhood's Responsibility. Upon resolution of the Board of Directors, each Neighborhood shall be responsible for paying, through Neighborhood Assessments, costs of maintenance of certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood, which may include, without limitation, the costs of maintenance of any right-of-way and greenspace between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association. Any Neighborhood having responsibility for maintenance of all or a portion of the property within a particular Neighborhood pursuant to additional covenants affecting the Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If any such Neighborhood fails to perform its maintenance responsibility as required herein and in any additional covenants, the Association may perform it and assess the costs against all Units within such Neighborhood as provided in Section 10.4 of this Declaration.

SECTION V

5. Insurance and Casualty Losses.

5.1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk casualty insurance, if reasonably available, for

all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

5.1.1. In addition to casualty insurance on the Common Area, the Association may, upon request of a Neighborhood, and shall, if so specified in a Supplemental Declaration affecting the Neighborhood, obtain and continue in effect adequate blanket all-risk casualty insurance, if reasonably available, on properties within the Neighborhood. If all-risk insurance is not reasonably available, then fire and extended coverage may be substituted. Such coverage may be in such form as the Board of Directors deems appropriate for one hundred percent (100%) of the replacement cost of all structures to be insured. The costs thereof shall be charged to the Owners of Units within the benefitted Neighborhood as a Neighborhood Assessment, as defined in Section I hereof.

5.1.2. Insurance obtained on the properties within any Neighborhood, whether obtained by such Neighborhood or the Association, shall at a minimum comply with the applicable provisions of this Section, including the provisions of this Section applicable to policy provisions, loss adjustment, and all other subjects to which this Section applies with regard to insurance on the Common Area. All such insurance shall be for the full replacement cost. All such policies shall provide for a certificate of insurance to be furnished to each member insured, to the Association, and to the Neighborhood Association, if any.

5.1.3. The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million Dollar (\$1,000,000.00) single person limit as respects bodily injury and property damage, a Three Million Dollar (\$3,000,000.00) limit per occurrence, if reasonably available, and a Five Hundred Thousand Dollar (\$500,000.00) minimum property damage limit.

5.1.4. Premiums for all insurance on the Common Area shall be Common Expenses of the Association and shall be included in the Base Assessment, as defined in Section I and as more particularly described in Section 10.1; provided in the discretion of the Board of Directors, premiums for insurance on Exclusive Common Areas may be included in the Neighborhood Assessment of the Neighborhood benefitted thereby. The policy may contain a deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in

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determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party which would be liable for the loss or repairs in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

5.1.5. All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefitted parties. Such insurance shall be governed by the following provisions:

5.1.5.1. All policies shall be written with a company authorized to do business in Maryland which holds a Best's rating of a or better and is assigned a financial size category of XI or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

5.1.5.2. All policies on the Common Area shall be for the benefit of the Association and its Members; all policies secured at the request of a Neighborhood shall be for the benefit of the Neighborhood Association, if any, the Owners of Units within the Neighborhood, and their Mortgagees, as their interests may appear.

5.1.5.3. Exclusive authority to adjust losses under policies obtained by the Association on the Properties shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

5.1.5.4. In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.

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

5.1.5.6. The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

5.1.5.6.1. a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

5.1.5.6.2. a statement that no policy may be cancelled, invalidated, suspended, or subject to non-renewal on account of any one or more individual Owners;

5.1.5.6.3. a statement that no policy may be cancelled, invalidated, suspended, or subject to non-renewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

5.1.5.6.4. that any "other insurance" clause in any policy exclude individual Owners' policies from Consideration; and

5.1.5.6.5. that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

5.1.5.7. In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, workers' compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees and other Persons handling or responsible for the Association's funds, if reasonably available, and flood insurance, if required. The amount of fidelity coverage shall be determined in the directors' best business judgment. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification or non-renewal.

5.2. Individual Insurance. By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Unit(s) and structures constructed thereon meeting the same requirements as set forth in Section 5.1 for insurance on the Common Area, unless the Neighborhood in which the Unit is located or the Association carries such insurance (which they are not obligated to do hereunder). Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures comprising his or her Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Section XI of this Declaration. The Owner shall pay any costs of repair or reconstruction which are not covered by

insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Unit of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Unit in a neat and attractive condition consistent with the Community-wide Standard.

5.3. Damage and Destruction.

5.3.1. Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

5.3.2. Any damage or destruction to the Common Area or to the common property of any Neighborhood shall be repaired or reconstructed unless the Voting Members representing at least seventy-five percent (75%) of the total vote of the Association, if Common Area, or the Unit Owners representing at least seventy-five percent (75%) of the total vote of the Neighborhood whose common property is damaged, if common property of a Neighborhood, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall have the right to participate in the determination of whether the damage or destruction to Common Area or common property of a Neighborhood shall be repaired or reconstructed.

5.3.3. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area or to the common property of any Neighborhood shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be restored to their natural state and maintained by the Association, or the Neighborhood, as applicable, in a neat and attractive condition consistent with the Community-Wide Standard.

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

5.5. Repair and Reconstruction. If the damage or destruction to the Common Area or to the common property of a Neighborhood Association for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Voting Members, levy a special assessment against all Owners on the same basis as provided for Base Assessments, provided, if the damage or destruction involves the common property of a Neighborhood, only the Owners of Units in the affected Neighborhood shall be subject to assessment therefor. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

SECTION VI

6. No Partition. Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Section shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

SECTION VII

7. Condemnation. Whenever all or any part of the Common Area shall be taken or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Voting Members representing at least two-thirds (2/3) of the total Class

"A" vote in the Association and of the Declarant, as long as the Declarant owns any property described on Exhibit "A" by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows. If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described in Exhibit "A" of this Declaration, and Voting Members representing at least seventy-five percent (75%) of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors. If such improvements are to be repaired or restored, the above provisions in Section V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements in the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors shall determine.

SECTION VIII

8. Annexation of Additional Property.

8.1. Annexation Without Approval of Class "A" Membership.

Declarant shall have the unilateral right, privilege and option, from time to time at any time until all property described on Exhibit "A" has been subjected to this Declaration to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "A" attached hereto. Such annexation shall be accomplished by filing in the public records of Prince George's County, Maryland, a Supplemental Declaration annexing such property. Such Supplemental Declaration shall not require the consent of Voting Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in Exhibit "A" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant. Any such Supplemental Declaration may contain such complementary additions and modifications of the Covenants,

Conditions and Restrictions contained herein as may be necessary to reflect the different character, if any, of the property, provided they are not inconsistent with this Declaration. In no event, however, shall the Supplemental Declaration revoke, modify or add to the Covenants, Conditions and Restrictions established by this Declaration insofar as they pertain to the Properties as the same exists prior to the Supplement.

8.2. Annexation With Approval of Class "A" Membership. Subject to the consent of the Owner thereof, the Association may annex real property other than that described on Exhibit "A" to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Voting Members representing a majority of the Class "A" votes of the Association (other than those held by Declarant) present at a meeting duly called for such purpose, and of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject hereto. Such annexation shall be accomplished by filing of record among the public records of Prince George's County, Maryland, a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determining the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 8.2 and to ascertain the presence of a quorum at such meeting.

8.3. Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, which conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

8.4. Amendment. This Section shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any property described in Exhibit "A" hereto.

SECTION IX

9. Rights and Obligations of the Association.

9.1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and

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shall keep the same in good, clean, attractive, and sanitary condition, order and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

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

9.3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use any Recreational Facilities on the Common area. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws of the Association. The Association, through the Board, by contract or other agreement, shall have the right to enforce county ordinances or permit Prince George's County to enforce ordinances on the Properties for the benefit of the Association and its Members.

9.4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, 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.

9.5. Governmental Interests. The Association shall permit the Declarant reasonable authority to designate sites within the Properties for fire, police, water, and sewer facilities, public schools and parks, and other public facilities.

SECTION X

10. Assessments.

10.1. Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors to be commenced at the time and in the manner set forth in Section 10.7. There shall be three (3) types of Assessments: (a) Base Assessments to fund Common Expenses for the benefit of all Members of the Association; (b) Neighborhood Assessments for Neighborhood Expenses benefitting only Units within a particular Neighborhood;

and (c) Special Assessments as described in Section 10.4 below.

10.1.1. Base Assessments shall be levied equally on all Units subject to assessment under this Section X. Neighborhood Assessments shall be levied equally among all Units within the Neighborhood(s) for whose benefit Neighborhood Expenses are incurred, as provided in Section 10.3 below. Special Assessments shall be levied as provided in Section 10.4 below. Each Owner, by acceptance of a deed or recorded contract of sale to any portion of the Properties, is deemed to covenant and agree to pay these assessments.

10.1.2. All assessments, together with interest (at a rate not to exceed the highest rate allowed by Maryland law) as computed from the date the delinquency first occurs, late charges, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each assessment is made. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, also shall be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

10.1.3. The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Fifty Dollars (\$50.00) for the issuance of such certificate.

10.1.4. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual Base Assessment and any Neighborhood Assessment for delinquents. Unless the Board otherwise provides, the Base Assessment and any Neighborhood Assessment shall be paid annually in advance.

10.1.5. No Owner may waive or otherwise exempt himself or herself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by nonuse of Common Areas or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the

Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

10.1.6. Regardless of anything contained herein to the contrary, any assessments for Units owned by Declarant for which Use and Occupancy permits have been issued by all necessary and appropriate governmental authorities for use and occupancy of any residence constructed thereon, shall be twenty-five percent (25%) of the Assessment levied against improved Units of transferee Class "A" Members. Otherwise, there shall be no Assessments for Units owned by Declarant. For so long as Declarant owns Units which are either assessed by the Association at twenty-five percent (25%) or for which there is no Assessment, Declarant shall fund all budget deficits of the Association.

10.1.7. The Association is specifically authorized to enter into subsidy contracts or contracts for services or materials or a combination of services and materials with Declarant.

10.2. Computation of Base Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to have prepared a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared. Until January 1st of the year immediately following the conveyance of the first Unit to a Class "A" Member Owner, the maximum annual Base Assessment shall be Six Hundred and No/100 Dollars (\$600.00).

10.3. Computation of Neighborhood Assessments. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a separate budget covering the estimated Neighborhood Expenses to be incurred by the Association for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration or the By-Laws specifically authorizes the Board to assess certain costs as a Neighborhood Assessment, including the cost of maintaining, repairing, replacing, insuring and operating Exclusive Common Areas for the use and benefit of one (1) or more, but less than all, Neighborhoods or exclusive Neighborhood Maintenance Areas. Any Neighborhood may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement within the

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Neighborhood, as appropriate. Neighborhood Expenses shall be allocated equally among all Units within the Neighborhood benefitted thereby. The Board shall cause a copy of such budget and notice for the amount of the Neighborhood Assessment to be levied on each Unit in the Neighborhood for the coming year to be delivered to each Owner of a Unit in the Neighborhood at least fifteen (15) days prior to the beginning of the fiscal year. In the event the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year. Until January 1st of the year immediately following the conveyance of the first Unit to a Class "A" Member Owner within that respective Neighborhood, the maximum annual Neighborhood Assessment shall be Two Hundred Forty and No/100 Dollars (\$240.00).

10.4. Special Assessments. In addition to the assessments authorized in Section 10.1, the Association may levy a Special Assessment or Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or against the Units within any Neighborhood if such Special Assessment is for Neighborhood Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall have the affirmative vote or written consent of Voting Members (if a Common Expense) or Owners (if a Neighborhood Expense) representing a majority of the total votes allocated to Units which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

10.4.1. The Association may also levy a Special Assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his or her Unit into compliance with the provisions of this Declaration, any amendments hereto, the Articles, the By-Laws, and the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing.

10.4.2. The Association may also levy a Special Assessment against the Units in any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of this Declaration, any amendments hereto, the Articles, the By-Laws, and the Association rules and regulations, which Special Assessment may be levied upon the vote of the Board after notice to the senior officer of the Neighborhood and an opportunity for a hearing. Any such Special Assessment

shall be levied on the same basis as Neighborhood Assessments.

10.5. Lien for Assessments. Upon recording of a notice of lien on any Unit, there shall exist a perfected lien for unpaid assessments together with interest, late fees, costs and reasonable attorneys' fees incurred for collection of same, prior and superior to all other liens, except (1) all taxes, bonds, assessments and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

10.5.1. Such lien, when delinquent, may be enforced by suit, judgment and foreclosure.

10.5.2. The Association, acting on behalf of the Owners, shall have the power to bid for such Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) No right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid Common Expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

10.6. Reserve Budget and Capital Contribution. The Board of Directors shall annually prepare a reserve budget to take into the account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the reserve budget, with respect both to amount and timing by annual assessments over the period for the budget. The required capital contribution, shall be fixed by the Board and included within and distributed with the budget and assessment, as provided in Section 10.2.

10.7. Date of Commencement of Assessments. Except for the first annual assessment, the obligation to pay the assessments provided for herein shall commence as to each Unit on the first day of the first month following the date on which a subdivision plat is recorded with respect to the property comprising the Unit among the Prince George's County, Maryland, Land Records. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The obligation to pay the first annual assessment shall commence on the first day of the first month following the date on which a Unit is conveyed to an Owner who is a Class "A" Member and shall be adjusted according to the number of

days remaining in the fiscal year at the time assessments commence on the Unit.

10.8. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of applicable law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to remedies under the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns.

10.9. Capitalization of Association. Upon acquisition of record title to a Unit by the first purchaser thereof other than the Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth (1/6th) of the annual Base Assessment and one-sixth (1/6th) of the annual Neighborhood Assessment, if any, levied on the Unit for that year. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the By-Laws.

10.10. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Base Assessments, Neighborhood Assessments, and Special Assessments:

10.10.1. all Common Area; and

10.10.2. all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks, if any.

SECTION XI

11. Architectural Control.

11.1. Architectural Control Committee (the "ACC"). The Board of Directors shall appoint an ACC. The ACC shall be composed of three (3) or more natural Persons designated from time to time by the Board of Directors of the Association and such Persons shall serve at the pleasure of the Board of Directors. The affirmative vote of a majority of the Members of the ACC shall be required in order to adopt or promulgate any rule, regulation or architectural guidelines, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Section XI.

11.2. Approval.

11.2.1. Except for construction and/or development by the Declarant and except for any improvements to any Unit or to the Common Area accomplished by the Declarant concurrently with said construction and/or development, and except for purposes of proper maintenance and repair, no building, fence, wall or other improvement or structure including the planting of any trees or shrubbery shall be commenced, directed, placed, moved, altered or maintained upon the Property, nor shall any exterior addition to or change (including any change of color) or other alteration thereupon be made until the complete plans and specifications showing the location, nature, shape, height, material, color, type of construction and/or any other proposed form of change (including, without limitation, any other information specified by the ACC) shall have been submitted to and approved in writing as to safety, harmony of external design, type and grade of material, color and location in relation to surrounding structures and topography and conform with the design concept for the community by the ACC.

11.2.2. Subject to the same limitations as provided for above, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, fences, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, walls or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever to the exterior of any improvements constructed upon any Unit, or to combine or otherwise join two or more Units, or to partition the same after combination, or to remove or alter any windows or exterior doors of any residence or any Unit, or to make any change or alteration within any residence or any Unit which will alter the structural integrity of the building or otherwise affect the Properties, interest or welfare of any other Unit Owner,

materially increase the cost of operating or insuring any of the Common Area or impair the shape, height, material, color, type of construction and/or any other proposed form of change (including, without limitation, any other information specified by the ACC) until the complete plans and specifications for such change shall have been submitted to and approved in writing as to safety, harmony of external design, type and grade of material, color and location in relation to surrounding structures and topography and conform with the design concept for the community by the ACC.

11.2.3. Upon approval by the ACC of any plans and specifications submitted pursuant to the provisions of this Section XI, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of the ACC and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the ACC fails to approve or disapprove any plans or specifications which may be submitted to it pursuant to the provisions of this Section XI within sixty (60) days after such plans or specifications (and all other materials and information required by the ACC) have been submitted to it in writing, then approval will be deemed given. The ACC shall require the best engineering practices to be employed during construction. The Owners shall be responsible for their use of their property and the avoidance of violations of County and State regulations as to its use. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement to any Unit or residence located on any Unit requires execution by the Association, and provided consent has been given by the Board of Directors or the ACC as appropriate, then the application shall be executed on behalf of the Association by an Officer only, without incurring any liability on the part of the Board of Directors, the Association or the ACC or any of them to any contractors, subcontractors or materialmen on account of such addition, alteration, or improvement, or to any Person having a claim for personal injury or property damage arising therefrom.

11.2.4. Notwithstanding any provision to the contrary in this Declaration, nothing shall be constructed in the Common Area without the prior approval of Prince George's County or any other appropriate governmental entity and the Board of Directors of the Association.

11.3. Limitations. Construction or alterations in accordance with plans and specifications approved by the ACC pursuant to the provisions of this Section XI shall be commenced within six (6) months following the date upon which the same are approved by the ACC (whether by affirmative action or by forbearance from action, as provided in Section 11.2.3), and shall be substantially completed within twelve (12) months following the date of commencement, or within such other period as the ACC shall have

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approved, or said approval shall be conclusively deemed to have lapsed and compliance with the provisions of this Section XI shall again be required. There shall be no deviation from the plans and specifications approved by the ACC without its prior consent in writing. Approval of any particular plans or specifications or design shall not be construed as a waiver of the right of the ACC to disapprove such plans and specifications which are subsequently submitted for use in any other instance. This will not release any Owner from obtaining any necessary permits required by the City, County or State, or other appropriate governmental entity.

11.4. Certification of Compliance. Within ten (10) days of the completion of any construction or alterations or other improvements or structure in accordance with plans and specifications approved by the ACC in accordance with the provisions of this Section XI, the Owner thereof shall request, in writing (the "Compliance Request") from the ACC, a Certificate of Compliance (the "Certificate") which, when issued by the ACC, shall be prima facie evidence that any such construction, alteration or other improvements referenced in the Certificate has been approved by the ACC and constructed or installed in full compliance with the provisions of this Section XI and with such other provisions and requirements of the Declaration as may be applicable. In the event that the ACC fails to provide the Certificate to the Owner within sixty (60) days after receipt of the Compliance Request, then such construction, alterations or other improvements referenced in the Compliance Request shall be deemed to have been constructed or installed in full compliance with the provisions of this Section XI and with such other provisions and requirements of the Declaration as may be applicable.

11.5. Architectural Guidelines. The ACC from time to time may adopt and promulgate such Architectural Guidelines regarding the form and content of plans and specifications to be submitted for approval and may publish and/or record such statements of policy, standards, guidelines and/or establish such criteria relative to architectural styles or details, colors, set-backs, materials or other matters relative to architectural control and the protection of the environment, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Section XI or any other provision or requirement of this Declaration. The ACC may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Section. The decisions of the ACC shall be final except that any Member who is aggrieved by any action or forbearance from action by it (or by any policy, standards or guidelines established by the ACC) may appeal the decision of the ACC to the Board of Directors and, upon the request of such Member, shall be entitled to a hearing before the Board of Directors of the Association.

11.6. Disapprovals. The ACC shall have the right to disapprove any plans and specifications submitted hereunder in its absolute discretion for any reason whatsoever including, by way of example and not of limitation, the following:

11.6.1. Failure of such plans or specifications to comply with any of these Covenants;

11.6.2. Failure to include information in such plans and specifications as may have been reasonably requested;

11.6.3. Objection to the exterior design, appearance or materials of any proposed structure;

11.6.4. Incompatibility of any proposed structure or use with existing structures or uses upon other Units;

11.6.5. Objection to the location of any proposed structure upon any Unit or with reference to other Units;

11.6.6. Objection to the grading and landscaping plans for any Unit;

11.6.7. Objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of any proposed structure;

11.6.8. Objection to walkways proposed for any Unit on the grounds of incompatibility to proposed uses and structures on the Property;

11.6.9. Failure of the Owner submitting said plans to provide written acknowledgement from the Owners of all Units adjacent to said Owners' Unit that the Owner has provided the Owners of the adjacent Units with notice of the plans and specifications submitted to the ACC pursuant to this Section XI; or

11.6.10. Any other matter which, in the judgment of the ACC, would render the proposed structure, structures or uses inharmonious with the general plan of improvement of the Properties or with structures or uses located or proposed thereon.

In any case where the ACC shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case, the ACC shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal can be prepared and submitted for approval. However, subject to the provisions of Section 5.5, a final decision of the ACC shall be

final and binding.

11.7. Violations. If any structure shall be altered, erected, placed or maintained upon any Unit, or any new use commenced on any Unit, otherwise than in accordance with plans and specifications approved by the ACC pursuant to the provisions of this Section XI, such alteration, erection, maintenance or use shall be deemed to have been undertaken in violation of this Section XI and without the approval required herein, and, upon written notice from the ACC, any such structure so altered, erected, placed or maintained upon any Unit in violation hereof shall be removed or re-altered, and any such use shall be terminated so as to extinguish such violation.

If within fifteen (15) days after the notice of such a violation the Owner of the Unit upon which such violation exists shall not have taken reasonable steps toward the removal or termination of the same, Declarant (or the Association by written delegation of right and authority from Declarant) during the Development Period and thereafter the Association shall have the right (but not the obligation), through their agents and employees, to enter upon such Unit and to take such steps as may be necessary to extinguish such violation and the cost thereof shall be a binding, personal obligation of such Owner as well as a lien, established and enforced by the Association or the Declarant as the case may be (in accordance with the Maryland Contract Lien Act), upon the Unit in question. In the event of such action of the Association during the Development Period, such entity shall act only in its own right pursuant to any subdelegation and shall not act as an agent of Declarant for such purpose. The lien provided in this Section 11.7 shall be in favor of the entity acting but shall not be valid as against a bona fide purchaser (or bona fide Mortgagee) of the Unit in question unless a Statement of Lien shall have been filed among the Land Records of Prince George's County, in accordance with the Maryland Contract Lien Act, prior to the recordation among said Land Records of Prince George's County of the deed (or mortgage) conveying the Unit in question to such purchaser (or subjecting the same to such mortgage). Nothing contained in this Section 11.7 shall in any way limit the rights and remedies afforded the Association or any Owner pursuant to Section XII of this Declaration.

11.8. Nonapplicability.

11.8.1. The provisions of this Section shall not apply to Units owned by either Declarant or to improvements on or subdivisions of Units, including specifically, but not limited to, those Units on which either Declarant has constructed a Dwelling for use as a "Model" for sales purposes, if such improvements or subdivisions have been approved by the Declarant. Declarant shall have the right to construct improvements, make alterations or

subdivisions without the consent of the Board of Directors or the ACC and an authorized Officer shall execute any such application required. No such action by Declarant shall be considered a precedent for ACC approval of similar improvements on or to other Units not owned by either Declarant.

11.8.2. The provisions of this Section XI shall not apply to a Mortgagee in possession of a Unit as result of foreclosure, judicial sale or proceeding in lieu of foreclosure affixing a sign or taking any other actions that may be necessary to sell or lease all or any portion of the Unit if such actions are in accordance with applicable zoning and not detrimental to the value of the Property.

SECTION XII

12.

12.1. Use Restrictions. The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Declarant or the Association) as may more particularly be set forth in this Declaration and amendments hereto. Any Supplemental Declaration or additional covenants imposed on the property within any Neighborhood may impose stricter standards than those contained in this Section. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards. The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Properties, in addition to those contained herein, and to impose reasonable user fees for use of Common Area facilities; provided, the Association shall not be obligated to take enforcement action with respect to activities or conditions on public streets or other public property, if any, within the Properties. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, cancelled or modified in a regular or special meeting of the Association by the vote of Voting Members representing a Majority of the total Class "A" votes in the Association and by the vote of the Class "B" member, so long as such membership shall exist.

12.1.1. Activities. No noxious or offensive activity shall be carried on upon any Unit nor shall anything be done thereon which may become a nuisance to the public.

12.1.2. Air Conditioning Units. No window air conditioning units may be installed in any unit.

12.1.3. Animals. The maintenance, keeping, boarding or

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raising of animals, livestock, poultry or reptiles of any kind regardless of number, is prohibited on any Unit, except that the keeping of guide animals and orderly domestic pets (e.g., dogs, cats or caged birds) without the approval of the Board is permitted subject to the Rules and Regulations adopted by the Board; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding; and provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise may be permanently removed from the Property upon ten (10) days written notice from the Board. Any Owner who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, each Owner and the Declarant harmless from any loss, claim or liability of any kind or character or whatever arising by reason of keeping or maintaining such pet within the Property. All pets which may leave the Unit shall be inoculated as required by law.

12.1.4. Artificial Vegetation, Exterior Sculpture and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Properties. Exterior sculpture, fountains, flags and similar items must be approved in accordance with Section XI of this Declaration.

12.1.5. Basketball Equipment. All basketball hoops and backboards and other similar items shall be subject to approval pursuant to Section XI hereof.

12.1.6. Boats, Automobiles and Other Vehicles. Except in connection with temporary construction activities, no boats or cradles, trailers, campers, mobile homes, recreational vehicles over one (1) ton gross vehicle weight, or unlicensed, abandoned, inoperable, or junked vehicles may be parked in streets, driveways, yards, or parking areas for more than twenty-four (24) hours, nor shall extraordinary repair or maintenance of automobiles or other vehicles be performed in said areas. The Association may designate, but is not required to so designate, a specific area for such parking and/or repairs.

12.1.7. Clothes Lines. No clothing or any other household laundry shall be hung in the open to dry on any Unit unless hung from a device that is removed from view when not actually in use.

12.1.8. Drainage and Septic Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves a perpetual easement across the Properties for the purpose of altering drainage and water flow. Septic systems are prohibited on the Properties.

12.1.9. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless the same is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the Architectural Control Committee pursuant to Section XI hereof.

12.1.10. Fences. Except for any fence installed by the Declarant or by the Association, no fence shall be installed except with the written approval of the ACC.

12.1.11. Hazardous Materials. No hazardous material (except those that are ordinarily found and/or used in dwellings for acceptable purposes) shall be used or stored on any Unit. This shall include the following: (1) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder; (2) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and regulations promulgated hereunder; (3) any substance the presence of which on the Property is prohibited by any Federal, State, County or local law or ordinance regulating toxic or hazardous wastes or substances; (4) any toxic or hazardous substances or materials, whether products or wastes, including, without limitation, asbestos or PCB's; and (5) "oil, petroleum products and their by-products", as defined by any Federal, State, County or local law, ordinance, regulation or requirement applicable to the Unit, or any portion thereof, as amended from time to time (e.g., Maryland Natural Resources Code Ann. Section 8-1411[a][3], as amended). (All of the foregoing collectively are referred to herein as "Hazardous Materials.")

12.1.12. Lakes and Water Bodies. All lakes, ponds, and streams within the Properties, if any, shall be aesthetic amenities only, and no other use thereof, including, without limitation, fishing, swimming, boating, playing or use of personal flotation devices, shall be permitted except with prior written consent of the Board of Directors. The Association shall not be responsible for any loss, damage or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds or streams within the Properties.

12.1.13. Lighting. Except for seasonal decorative lights, which may be displayed between December 1 and January 10 only, all exterior lights must be approved in accordance with Section XI of this Declaration.

12.1.14. Lot Maintenance. Each Lot (including the yard and the improvements contained thereon) must be regularly maintained and repaired, and kept in a neat, clean and sanitary condition. All grass, and shrubbery on any Lot must be regularly

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cut or trimmed. All grass, except where otherwise prohibited by governmental regulation, shall be maintained at a maximum height of four (4) inches and shall be as weed free as good environmental practice shall permit. No boxes, bottles, cans, leaves, bedding, building materials, garbage, trash, tires, appliances or other unsightly debris may be left outside on the Lot. Except for lawn furniture used on a Lot and firewood for the personal use of an Owner (either of which must be stored in the rear of a Lot), nothing may be stored outside or on a patio.

12.1.15. Mailboxes and Newspaper Tubes. Mailbox design, structure, supports and locations shall be uniform in accordance with design criteria designed by the Board.

12.1.16. Mining. No Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth except with the prior written approval of the Board.

12.1.17. Pipes. No water pipe, gas pipe, sewer pipe or drainage pipe shall be installed or maintained on any Lot above the surface of the ground, except garden hoses.

12.1.18. Planting. No planting (other than flowers and small bushes that do not and will not exceed three (3) feet in height) or digging may take place anywhere within or upon any Lot or elsewhere on the Property without the express written authorization of the ACC. [NOTE: The Property contains underground electrical, sewer, water and other utility lines].

12.1.19. Playground. Any playground or other play areas or equipment furnished by the Association or erected within the Properties shall be used at the risk of the user, and the Association shall not be held liable to any Person for any claim, damage or injury occurring thereon or related to use thereof.

12.1.20. Private Swimming Pools and Jacuzzis. No above ground private swimming pools, spas, jacuzzis and/or hot tubs of any type shall be permitted. No in ground swimming pools, hot tubs, spas or jacuzzis of any type shall be permitted without prior approval of the ACC.

12.1.21. Radio Antenna. No radio antenna shall be erected without prior written approval of the Board

12.1.22. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

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12.1.23. Signs. No sign of any kind, other than those of the Declarant, or its designated agent, or which shall have the specific approval of the Declarant during the period of construction and sales of the residential units being constructed upon the Property, shall be displayed in public view on any Lot except that one sign of not more than four (4) square feet advertising the Lot for sale or rent will be permitted.

12.1.24. Single Family Dwelling Use. None of the Units shall be used for any purpose other than for a one family, non-commercial and non-industrial, residential Dwelling use except as provided for hereinafter in Section 12.10 and except that any part of any Dwelling may, with the prior written approval of the Board and the ACC, which approval may be withheld at the sole and subjective discretion of the Board and the ACC, be used for non-residential purposes (including but not limited to accounting, dentistry, law, medicine and the like) provided such use complies with all laws, rules, regulations, and/or ordinances and provided further that such activity does not involve the regular employment, with or without salary, of more than one (1) other person who is not a resident family member, and provided further that such activity does not involve offensive, disagreeable or noxious sounds, noises, odors or smells, or any unusual congestion of clients, patients, patrons or customers outside the residential improvements, detrimental to the peaceful use and quiet enjoyment of the other residential properties in its vicinity.

12.1.25. Storage Buildings, Tents and Trailers. No metal outside storage buildings shall be permitted. No outside storage building constructed of any other material tent, shack, shed or other such structure shall be permitted unless approved in writing by the ACC and then subject to the condition that it may be used only by the residents of such Unit provided, however, construction and/or site trailers shall be permitted during ongoing construction and sales within the Properties provided they comply with guidelines established by the Declarant.

12.1.26. Storage Tanks. No storage tanks of any kind shall be placed or maintained within or upon any Lot except at such locations and in such manner as approved by the ACC.

12.1.27. Subdivision of Unit and Time Sharing. No Unit shall be subdivided or its boundary lines changed except with the prior written approval of the Board of Directors of the Association. Declarant, however, hereby expressly reserves the right to replat any Unit or Units owned by Declarant. Any such division, boundary line change, or replating shall not be in violation of the applicable subdivision and zoning. No Unit shall be made subject to any type of timeshare or similar program whereby the right to exclusive use of the Unit rotates among members of the program on a fixed or floating time schedule over a period of

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years, except that the Declarant hereby reserves the right for itself and its assigns to operate such a program with respect to Units which it owns.

12.1.28. Transmission Facilities. No facilities, including poles and wires, for the transmission of electricity, telephone messages and the like shall be placed or maintained above the surface of the ground on any Lot, and no external or outside antennas of any kind shall be maintained.

12.1.29. Trash. Except in connection with temporary construction activities, (i) no lumber, metals, bulk materials, garbage, refuse or trash shall be kept, stored or allowed to accumulate on any Lot (other than in an approved structure); (ii) No Lot shall be used or maintained as a dumping ground for any material; (iii) Trash, garbage or other waste shall not be kept on any Lot except in sanitary containers. All equipment and containers for the storage or disposal of such material shall be kept in a good, clean and sanitary condition; (iv) During construction of any improvements on the Property, the Owner shall keep any construction site free of unsightly accumulations of rubbish and scrap materials, and construction materials, trailers, shacks and the like employed in connection with such construction shall be kept in a neat and orderly manner; (v) If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open on any day that a pickup is to be made, at such place on the Lot so as to provide access to Persons making such pickup. At all other times, such containers shall be stored in such a manner so that they cannot be seen from adjacent and surrounding Property; (vi) trash, garbage or other waste shall not be kept on any Lot except in sanitary containers and such shall not be visible from the streets. All containers or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. If a central trash collection area is designated, the Association may regulate the use of such trash enclosures; (vii) The ACC, in its discretion, may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same on the Property.

12.1.30. Trees. No trees or bushes of any kind shall be removed from any Lot or Public Right-of-Way without the express written authorization of the ACC. All trees on Lots or the Public Rights-of-Way adjacent to any Lot shall be properly maintained by the Owner of said Lot.

12.1.31. Truck Parking. Except in connection with temporary construction activities, no trucks of a capacity of one ton or more, or buses, shall be regularly parked on the Property.

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12.1.32. T.V. Roof top television antennas, and satellite dishes in any location are prohibited without prior express written approval of the Board. Small satellite dishes located on balconies or patios are not permitted without the express written authorization of the Board of Directors which approval may be withheld at their sole, absolute and subjective discretion. The Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all or a portion of the Properties, should any such master system or systems be utilized by the Association and require any such exterior apparatus.

12.1.33. Utilities. All electric service, telephone service, cable T.V., and other utilities on the Property shall be supplied by underground service and no poles shall be permitted without written authorization of the ACC. Transformers and other facilities installed by the utility companies may be above ground, if necessary.

12.1.34. Tree Removal. No trees shall be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved in accordance with Section XI of this Declaration.

12.1.35. Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Properties, except for temporary lines as required during construction and high voltage lines if required by law or for safety purposes.

12.2. Leasing of Units.

12.2.1. Definition. "Leasing", for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.

12.2.2. Leasing Provisions.

12.2.2.1. General. Units may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board of Directors. No transient tenants may be accommodated in a Unit. All leases shall be in writing and shall be for an initial term of no less than one (1) year, except with the prior written consent of the Board of Directors. Notwithstanding this limitation, Units in Neighborhoods consisting solely of rental apartments may be leased for terms of less than one (1) year to Persons who have contracted for the

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purchase of a Unit elsewhere in the Properties and are awaiting construction of a dwelling thereon; provided, no such lease shall have an initial term of less than thirty (30) days without the prior written approval of the Board of Directors. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Unit Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the rules and regulations.

12.3. Compliance with Declaration, By-Laws and Rules and Regulations. Every Owner shall cause all occupants, guests and invitees of his or her Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, guests and/or invitees notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto.

12.4. Use of Common Area. The Common Area shall be used only for the furnishing of the services and facilities for which the same is reasonably suited and which are incident to the use and occupancy of the Units. The improvements, if any, located on the Common Area shall be used only for their intended purposes. Except as otherwise expressly provided in the Association Documents, no Owner shall make any private, exclusive or proprietary use of any of the Common Area. No Person shall engage or direct any employee of the Association nor shall any private business of an Owner or otherwise direct, supervise or in any manner attempt to assert control over such employee during the hours that such employee is employed by the Association. No fuel driven vehicles may be driven or parked in the Common Area, except in such part of the Common Area, if any, specifically set aside for driving and/or parking by the Board.

12.5. Construction Activities. This Section shall not be construed as forbidding any work by the Declarant involved in the construction, development or upkeep of any portion of the Properties so long as such work is undertaken and carried out (i) with the minimum practical disturbance to Persons occupying other portions of the Properties; (ii) in such a way as does not violate the rights of any Person under any provisions of this Declaration; and (iii) in accordance with all applicable restrictions in the Rules and Regulations, the Resolutions of the Board of Directors and the other provisions of this Declaration. The Board of Directors may approve temporary structures for construction purposes which may otherwise be in violation of the Association Documents or the Rules and Regulations.

12.6. Uses by Declarant. Nothing in the Association

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Documents shall be construed to prohibit Declarant or its designees from using any Unit owned by Declarant (or any other Unit with the permission of the Owner thereof) or any portion of the Common Area for promotional, marketing, display or customer service purposes (such as a visitors' center) or for the settlement of sales of Units. Further, the Declarant specifically reserves the right to operate a construction office or a rental brokerage and management office at any time on Units owned or leased by Declarant (or any other Unit with the permission of the Owner thereof) and on any portion of the Common Area, to the extent permitted by law. Declarant may assign its rights under this Subsection to or share such rights with one (1) or more other Persons, exclusively, simultaneously or consecutively with respect to the Common Area and Units owned or leased by the Declarant or such Persons.

12.7. Rules and Regulations. The Board of Directors shall have power to adopt, amend and repeal Rules and Regulations restricting and regulating the use and enjoyment of the Properties or any portion thereof, which supplement, but may not be inconsistent with the provisions of the Association Documents. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Member. Changes to the Rules and Regulations shall be published prior to the time when the same shall become effective and copies thereof shall be provided to each Owner. The Rules and Regulations shall not unreasonably interfere with the use or enjoyment of the Lots or Common Area or the reasonable conduct of business on the Lots. Also, the Board of Directors may issue temporary exceptions to any prohibitions expressed or implied by this Section, for good cause shown. Nothing contained in this Section XII shall be construed to limit in any way the rights and powers of the Board of Directors or the ACC to: (i) approve or disapprove of the erection of buildings, fences, walls, or other structures or of changes or alterations to the Properties as more fully provided in Section XI hereof, or (ii) to change, amend, formulate, publish and enforce reasonable rules and regulations for the use and enjoyment of the Common Area.

12.8. Exclusion for the Declarant and Designees of the Declarant. Notwithstanding any other provision of the Association Documents, neither the restrictions in this Section nor the Rules and Regulations of the Association shall apply to any otherwise lawful acts or omissions of the Declarant or of any Person designated by the Declarant from time to time in notices to the Association as long as the Declarant or such designee are engaged in development or sales, or activities related thereto, anywhere within the Property or any Additional Property.

12.9. Limitation of Use of Easement Areas. In those strips of parcels of land designated on the Subdivision Plat as "easement" areas or otherwise designated as easement areas elsewhere in this Declaration or otherwise, no structure shall be placed or permitted

to remain which may damage or interfere with the installation and maintenance of utilities or which may change the directional flow of drainage channels or obstruct or retard the flow of water through drainage channels. The reserved easement areas of each Lot and all improvements thereon (except improvements, installations or maintenance for which a public authority or utility company is responsible) shall be maintained by the Owner of the Unit.

12.10. Day Care. Notwithstanding anything contained herein to the contrary, any Owner may use his or her Residence as a Family Day Care Home ("Home") (as defined in Title 5, Subtitle 5 of the Family Law Article of the Annotated Code of Maryland, as amended from time to time) subject to the following requirements:

12.10.1. The Owner or Day Care Provider (as defined in the aforementioned Family Law Article) operating the Home shall be registered with and have a license issued by the Department of Human Resources, in accordance with the registration and licensing provisions set forth in Title 5, Subtitle 5 of the Family Law Article. The Owner shall provide a copy of the license to the Board of Directors prior to establishing and operating the Home and upon each renewal thereof.

12.10.2. The Owner or Day Care Provider shall obtain the liability insurance described in Article 48A, Section 481D of the Annotated Code of Maryland, in at least the minimum amount described in that Section. The Owner or Day Care Provider may not operate the Home without the liability insurance described herein, and shall present proof of insurance to the Board of Directors before establishing and operating the Home and upon any renewal of the policy. The Association may not require the Owner or Day Care Provider to obtain insurance in an amount greater than the minimum amounts set forth in the Code Section set forth above.

12.10.3. The Owner or Day Care Provider shall pay, on a pro-rata basis with other Homes then in operation, any increase in the Association insurance costs attributable solely to the establishment and operation of the Home, upon presentation of a statement from the Board setting forth the increased costs and requesting payment of same. The increased insurance costs shall be considered an Assessment against the Unit, and may be collected in the same manner as collection of annual and Special Assessments, as set forth in Section X of this Declaration.

12.10.4. The Owner or Day Care Provider shall be responsible for payment of a fee determined by the Board of Directors, for the Home's entitlement to use of the Common Area of the Association. The Board shall establish the fee and shall advise all Owners or Day Care Providers operating Homes of the amount due on an annual basis. The fee shall not be in an amount in excess of Fifty and No/100 Dollars (\$50.00). Upon presentation

of a statement for the annual fee and demand for payment, the Owner or Day Care Provider shall promptly remit payment to the Board of Directors. The fee shall be considered an Assessment against the Lot, and may be collected in the same manner as collection of annual and Special Assessments, as set forth in Article IV of this Declaration.

12.10.5. The Board of Directors may regulate the number of Homes operating within the Association, provided that the number permitted may not be less than 7.5 percent of the total Units within the Association.

12.10.6. No play equipment or fenced off play area may be placed on any Unit or the Common Area of the Association without the prior written approval of the Board of Directors of the Association.

SECTION XIII

13. Party Walls.

13.1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of a Residence upon a Unit and placed on the dividing line between Units shall constitute a Party Wall, and, to the extent not inconsistent with the provisions of this Section XIII, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omission shall apply thereto.

13.2. Sharing of Repair and Maintenance. Each Owner who shares a Party Wall shall be solely responsible for the care and maintenance of the inner perimeter of the Party Wall, up to and including the space bounded by and contained within the outside surface or stud side of the paneling, sheetrock or drywall portion of the Party Wall located within the Owner's property line. The cost of reasonable repair and maintenance of a Party Wall shall be shared by the Owners who make use of the wall in proportion to such use.

13.3. Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, any Owner who has used the Party Wall may restore it, and if the other Owners thereafter make use of the Party, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

13.4. Weatherproofing. Notwithstanding any other provision of this Section XIII, an Owner who by his or her negligent or willful act causes the Party Wall to be exposed to the elements

any governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as the Declarant still owns property described in Exhibits "A" or "B" for development as part of the Properties, it may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

14.2.2. By Owners. Except as provided above and otherwise provided in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing two-thirds (2/3) of the Class "A" votes in the Association, including two-thirds (2/3) of the Class "A" votes held by Members other than the Declarant, and the consent of the Declarant, so long as the Declarant has an option to subject additional property to this Declaration pursuant to Section 8.1. In addition, the approval requirements set forth in Section XIV hereof shall be met if applicable.

14.3. Any amendment to this Declaration must comply with the laws of Prince George's County, Maryland, as they affect the Common Areas and no amendment may impair the rights of Owners as provided by Prince George's County law.

14.3.1. If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

14.3.2. No amendment may remove, revoke or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

14.4. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer

and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

14.5. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Unit and such portion or portions of the Common Area adjacent thereto or as between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary between each Unit and the adjacent portion of the Common Area or as between said adjacent Units, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, tenant, or the Association.

14.6. Easements for Utilities. There is hereby reserved unto Declarant, so long as Declarant owns any property described on Exhibit "A", the Association, and the designees of each (which may include, without limitation, Prince George's County, Maryland, and any utility), blanket easements upon, across, over, and under all the Properties for maintenance; ingress; egress; and installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle pathways, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity; provided, the exercise of this easement shall not interfere with the use of any unit and entry into any Unit shall be made only after reasonable notice to the Owner or occupant thereof.

14.6.1. Without limiting the generality of the foregoing, there are hereby reserved for the purpose of water supply easements across all Units for ingress, egress, installation, reading, replacing, repairing, and maintaining water meter boxes. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Properties, except as may be approved by the Association's Board of Directors or as provided by Declarant.

14.6.2. Should any entity furnishing a service covered by the general easement herein provided request a specific easement

by separate recordable document, the Board of Directors shall have the right to grant such easement over the Properties without conflicting with the terms hereof. The easements provided for in this Section shall in no way adversely affect any other recorded easement on the Properties.

14.6.3. The Board shall have, upon approval of two-thirds (2/3) of the directors, the power to dedicate portions of the Common Area to Prince George's County, Maryland, or to any other local, state, or federal governmental entity, subject to such approval requirements as may be contained elsewhere in this Declaration.

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

14.8. Right of Entry. The Association shall have the right, but not the obligation, to enter into any Unit for emergency, security and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, the By-Laws, and the rules and regulations of the Association, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board. If the Association must force entry into any Unit for a purpose authorized herein, such entry shall not be considered a trespass and the Owner of the Unit shall be assessed for all costs incurred by the Association in forcing such entry, pursuant to Section X hereof.

14.9. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five percent (75%) of the Voting Members. In the case of such a vote, and notwithstanding anything contained in this Declaration or the Articles of Incorporation or By-Laws of the Association to the contrary, a Voting Member shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of seventy-five percent (75%) of all Members of the Neighborhood represented by the Voting Member. This Section shall not apply, however, to (a) sanctions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Section X

hereof, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

14.10. Cumulative Effect; Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of any neighborhood and the Association may, but shall not be required to, enforce the latter; provided, however, in the event of conflict between or among such covenants and restrictions, and provisions of any articles of incorporation, By-Laws, rules and regulations, policies or practices adopted or carried out pursuant thereto, those of any Neighborhood shall be subject and subordinate to those of the Association. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Association.

14.11. Compliance. Every Owner and occupant of any Unit shall comply with all lawful provisions of this Declaration, the By-Laws and rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or by any aggrieved Unit Owner or Owners.

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

14.12.1. Make any annexation or additions other than as provided for pursuant to Section 8.1 of this Declaration; or

14.12.2. Abandon, partition, dedicate, subdivide, encumber, sell or transfer any of the Common Area or Recreational Facilities; provided, however, that the granting of rights-of-way, easements and the like for public utilities or for other purposes consistent with the use of the Common Area and Recreational Facilities by the Members of the Association shall not be considered a transfer within the meaning of this Section; or

14.12.3. Abandon or terminate the Declaration; or

14.12.4. Modify or amend any material or substantive provision of this Declaration, or the By-Laws or the Articles of

Incorporation of the Association; or

14.12.5. Merge or consolidate the Association with any other entity or sell, lease, exchange or otherwise transfer all or substantially all of the assets of the Association to any other entity; or

14.12.6. Substantially modify the method of determining and collecting assessments as provided in this Declaration.

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

14.13. Conflicts. In the case of any conflict between this Declaration, the Articles of Incorporation, and the By-Laws of the Association, the Declaration shall control.

SECTION XV

15. Mortgagee Provisions. The following provisions are for the benefit of holders of first Mortgages on Units in the Properties. The provisions of this Section apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

15.1. Notices of Action. An institutional holder, insurer or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Unit number), will be entitled to timely written notice of:

15.1.1. any condemnation loss or any casualty loss which affect a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured or guaranteed by such entity;

15.1.2. any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the Mortgage held by such entity, where such delinquency has continued for a period of sixty (60) days;

15.1.3. any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

15.1.4. any proposed action which would require the consent of a specified percentage of eligible holders.

15.2. Special FHLMC Provision. So long as required by the

Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first Mortgagees or Voting Members representing at least two-thirds (2/3) of the total Association vote entitled to be cast thereon consent, the Association shall not:

15.2.1. by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area and leasing portions of the Common Area shall not be deemed a transfer or encumbrance within the meaning of this subsection);

15.2.2. change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (A decision, including contracts, by the Board or provisions of any Declaration subsequently recorded on any portion of the Properties regarding assessments for Neighborhoods or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration.);

15.2.3. by act or omission change, waive or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and the Common Area (The issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision.);

15.2.4. fail to maintain insurance, as required by this Declaration; or

15.2.5. use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

15.3. Other Provisions for First Lien Holders. To the extent permissible under Maryland law:

15.3.1. Any restoration or repair of the Properties after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the eligible holders of first Mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by such eligible holders are allocated.

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15.3.2. Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the eligible holders of first Mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by such eligible holders are allocated.

15.4. Amendments to Documents. The following provisions do not apply to amendments to the constituent documents or termination of the Association made as a result of destruction, damage, or condemnation pursuant to this Section, nor to the addition of land in accordance with Section VIII.

15.4.1. The consent of Voting Members representing at least two-thirds (2/3) of the Class "A" votes and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of eligible holders of first Mortgages on Units to which at least two-thirds (2/3) of the votes of Units subject to a Mortgage appertain, shall be required to terminate the Association.

15.4.2. The consent of Voting Members representing at least two-thirds (2/3) of the Class "A" votes and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of eligible holders of first Mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to a Mortgage appertain, shall be required materially to amend any provisions of the Declaration, By-Laws, or Articles of Incorporation of the Association, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following:

15.4.2.1. voting;

15.4.2.2. assessments, assessment liens, or subordination of such liens;

15.4.2.3. reserves for maintenance, repair, and replacement of the Common Area;

15.4.2.4. insurance or fidelity bonds;

15.4.2.5. rights to use of the Common Area;

15.4.2.6. responsibility for maintenance and repair of the Properties;

15.4.2.7. expansion or contraction of the Properties or the addition, annexation, or withdrawal of properties to or from the Association;

15.4.2.8. boundaries of any Unit;

15.4.2.9. leasing of Units;

15.4.2.10. imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Unit;

15.4.2.11. establishment of self-management by the Association where professional management has been required by an eligible holder; or

15.4.2.12. any provisions included in the Declaration, By-Laws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units.

15.5. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

15.6. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

15.7. Amendment by Board. Notwithstanding anything to the contrary contained in this Declaration, should the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration or the Federal Housing Administration subsequently delete any of their respective requirements which necessitate the provisions of this Section or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Section to be recorded to reflect such changes.

15.8. Applicability of Section 15. Nothing contained in Sections 15.1 through 15.7 shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Maryland law for any of the acts set out in Sections 15.1 through 15.7.

15.9. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

15.10. FHA/VA Approval. As long as there is a Class "B" membership, the following actions shall require the prior approval of the Federal Housing Administration or the Veterans Administration: (i) annexation of additional property; (ii)

dedication of Common Area; (iii) mortgaging of Common Area; (iv) material amendment of this Declaration; and (v) any alteration, amendment or change of Unit lines.

SECTION XVI

16. Declarant's Rights.

16.1. Any or all of the special rights and obligations of the Declarant may be transferred to other persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded among the Land Records of Prince George's County, Maryland.

16.2. Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Units shall continue, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient or incidental to the construction or sale of such Units, including, but not limited to, business offices, signs, model units and sales offices, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Units owned by the Declarant and portions of any clubhouse or community center which may be owned by the Association, as models and sales offices, respectively; provided, any use of Common Areas for business or sales offices, storage or similar purposes by Declarant shall only be permitted pursuant to a lease of such Common Areas from the Association on reasonable terms.

16.3. So long as Declarant continues to have rights under this paragraph, no Person shall record any declaration of covenants, conditions and restrictions, or similar instrument affecting any portion of the Properties without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

16.4. This Section may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Section shall terminate upon the earlier of (a) twenty (20) years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 17th day of January, 1996.

DECLARANT:

ENTERPRISE HILLS ASSOCIATES LIMITED PARTNERSHIP, A MARYLAND LIMITED PARTNERSHIP

BY: TRAFALGAR HOUSE PROPERTY, INC., A DELAWARE CORPORATION, F/K/A CAPITAL HOMES MARYLAND, INC., F/K/A CAPITAL HOMES, INC., BY ITS TRAFALGAR HOUSE RESIDENTIAL, MARYLAND DIVISION, GENERAL PARTNER

[Handwritten signature]

BY: *[Handwritten signature]*
DAVID L. CARNEY
ATTORNEY-IN-FACT

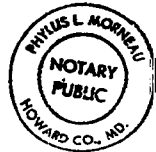
STATE OF MARYLAND, COUNTY OF Howard

I HEREBY CERTIFY That on this 17th day of January, 1996, before me, a Notary Public of the State of Maryland, personally appeared David L. Carney, who acknowledged himself to be the Attorney-in-Fact of Trafalgar House Property, Inc., (the "Corporation") and that he, as such Officer, being authorized so to do executed the foregoing instrument on behalf of the Corporation acting in its capacity as a General Partner in Enterprise Hills Associates Limited Partnership for the purposes therein contained by signing the name of the Corporation by himself as such Attorney-in-Fact.

WITNESS my hand and Notarial Seal.

[Handwritten signature]
Notary Public

My Commission Expires: 2/1/98




PRINCE GEORGE'S COUNTY CIRCUIT COURT (Land Records) VJ 10555, p. 0075, MSA_CE64_10636

PRINCE GEORGE'S COUNTY CIRCUIT COURT (Land Records) VJ 10555, p. 0076, MSA_CE64_10636

ATTORNEY'S CERTIFICATION

This instrument has been prepared by or under the supervision of the undersigned Maryland attorney or by one of the parties named in this instrument.



RUSSELL D. KARPOOK

POST RECORDING, RETURN TO:

Russell D. Karpook
FRANCCMANO & KARPOOK, P.A.
20 S. Charles Street, 8th Floor
Baltimore, Maryland 21201

Exhibit A

BEGINNING for the same at an iron pipe found on the Easterly side of 60 foot wide Enterprise Road at the Northwest corner of an 8.37 acre tract conveyed by Marion Duckett, Jr., et ux to Thomas M. Hutchins et ux by Deed dated November 30, 1969, and recorded in Liber 2401 at folio 274, thence running with the Easterly side of 60 foot wide Enterprise Road the following courses and distances:

1. North 04 degrees 42' 10" West 384.62 feet to a point, thence running
2. North 04 degrees 21' 00" West 100.00 feet to a point, thence running
3. North 03 degrees 18' 10" West 100.00 feet to a point, thence running
4. North 03 degrees 44' 20" West 238.94 feet to a point, thence running
5. North 03 degrees 09' 40" West 100.00 feet to a point, thence running
6. North 01 degrees 54' 50" West 100.00 feet to a point, thence running
7. North 00 degrees 24' 20" East 36.27 feet to a pipe set at a point where said side of Enterprise Road (60 feet wide) intersects the second or North 78 degrees 53' East 503.84 foot line of a 7.31 acre tract conveyed by Marion Duckett, Jr., et ux to John W. Bowler by Deed dated May 27, 1943 and recorded in Liber 710 at folio 395, thence leaving Enterprise Road and running with part of the second line and all of the third line of said 7.31 acre tract the following two courses and distances
8. North 77 degrees 38' 30" East 467.80 feet to a pipe set and
9. North 87 degrees 05' 30" East 614.61 feet to a pipe set, thence running with the fourth line of the 7.31 acre tract conveyed to Bowler in Liber 710 at folio 395 and the extension of said line in a Northerly direction
10. North 00 degrees 54' 30" West 747.00 feet to a fence corner in the Northerly outline of land conveyed to Marion Duckett, Jr. in Liber 51 at folio 408, thence running with said Northerly outline

11. North 85 degrees 17' 13" East 311.08 feet to a pipe set, thence continuing with said Northerly outline of Marion Duckett, Jr.
12. North 86 degrees 13' 34" East 1835.22 feet to a fence corner at the Northeast corner of the land conveyed to Marion Duckett, Jr. in Liber 51 at folio 408, thence running with the Easterly outline of Marion Duckett, Jr.,
13. South 05 degrees 47' 14" East 209.56 feet to a pipe set, thence continuing with the Easterly outline of Marion Duckett, Jr.
14. South 05 degrees 00' 40" East 1145.83 feet to a stone found at the end of the third or North 81 degrees East 2 perch line of Liber 51 at folio 408, thence running reversely with said third line
15. South 79 degrees 01' 30" West 33.00 feet to a pipe set, thence running reversely with the aggregate of the second and first lines of Liber 51 at folio 408
16. South 04 degrees 58' 30" East 1260.92 feet to a concrete monument found, thence running with the divisional line between the land of Marion Duckett, Jr., and land now owned by Albert W. Turner
17. South 80 degrees 28' 46" West 2065.86 feet to a pipe at the Southeast corner of the 11.022 acre tract conveyed by Marion Duckett, Jr., et ux to Lloyd E. Anderson, et ux by Deed dated June 5, 1953 and recorded in Liber 1616 at folio 24, thence running with the Easterly outline of Anderson
18. North 04 degrees 28' 42" West 401.69 feet to a pipe set, thence running with part of the Northerly outline of Anderson
19. South 80 degrees 28' 46" West 275.00 feet to an iron pipe found at the end of the third line of a 5.06 acre tract conveyed by Marion Duckett, Jr., et ux to William A. Emman et ux by Deed dated June 7, 1958 and recorded in Liber 2244 at folio 149, thence running reversely with said 3rd line of said 5.06 acre tract
20. North 05 degrees 35' 07" West 225.00 feet to a pipe found at the end of the second line thereof, said pipe also being the end of the fifth line of the aforesaid 8.37 acre tract conveyed by Marion Duckett, Jr., et ux to Hutchins et ux in Liber 2401 at folio 274, thence running reversely with the fifth, fourth, third and second lines of said 8.37 acre tract the following four courses and distances

21. North 84 degrees 09' 38" East 175.71 feet to a pipe found, thence running
22. North 05 degrees 35' 07" West 270.78 feet to a pipe found, thence running
23. North 89 degrees 28' 46" West 801.77 feet to a pipe found, thence running
24. South 89 degrees 51' 46" West 304.14 feet to the beginning of the land now conveyed, containing 164.63 acres of land, more or less

SAVING AND EXCEPTING therefrom any and all property "To Be Dedicated to Public Use" as shown on the Subdivision Plats for Marleigh recorded or intended to be recorded among the Land Records of Prince George's County, Maryland.

BEING all of that property which by Deed dated December 28, 1987, and recorded among the Land Records of Prince George's County, Maryland, in Liber 6871 at folio 145 was granted and conveyed by Kenneth E. Neil to Declarant.

Exhibit B

1. Parcel "A", 62,119 square feet or 1.4261 acres, as shown on the subdivision plat entitled "Plat One, Lots 1 and 2 and Parcel 'A', Block "A" Lots 1 and 2, Block 'C', Marleigh," recorded or intended to be recorded among the Land Records of Prince George's County, Maryland.
2. Parcel "B", 39,209 square feet or 0.9001 acres, as shown on the subdivision plat entitled "Plat Two, Lots 1 - 4 and Parcel 'B', Block 'B', Lot 9, Block 'C' and Lot 1, Block 'D', Marleigh," recorded or intended to be recorded among the Land Records of Prince George's County, Maryland.

"EXHIBIT C"

to Declaration of Covenants for Marleigh Community Assoc., Inc.

RECREATIONAL FACILITIES AGREEMENT
FOR PRIVATE RECREATION FACILITIES

MARLEIGH

THIS AGREEMENT, made this 28th day of December, 1995, by and between The Maryland-National Capital Park and Planning Commission, a public body corporate (hereinafter referred to as the "Commission"), and Enterprise Hills Associates Limited Partnership, a Maryland Limited Partnership, 8965 Guilford Road, Suite 290, Columbia, Maryland 21046 ("Owner"),

WITNESSES, THAT:

WHEREAS, the Commission is a public body corporate, created by the State of Maryland and authorized by Article 28, Annotated Code of Maryland, to maintain and operate a park system within the Maryland-Washington Regional and Metropolitan District; and

WHEREAS, the Commission has delegated authority over the operation of parks in Prince George's County to the Prince George's County Planning Board (hereinafter the "Planning Board"); and

WHEREAS, the Planning Board is charged by Article 28, Annotated Code of Maryland, with the authority to approve subdivision plats for recordation in that portion of the Maryland-Washington Regional District located in Prince George's County; and

WHEREAS, Section 24-135 of the Subdivision Regulations, Prince George's County Code, provides that in conjunction with certain types of development, recreation facilities which equal or exceed the requirements for mandatory dedication may be provided by a subdivision applicant to satisfy the mandatory dedication requirement of the Prince George's County Subdivision Regulations; and

WHEREAS, Owner is the current owner of 165 acres, more or less, as shown on Subdivision Plats entitled "Marleigh", to be recorded among the Land Records of Prince George's County, Maryland (the "Property"), said Property being in the Queen Anne's Election District No. 7, Prince George's County, Maryland, and said Property being the property conveyed by Kenneth E. Neil, to Owner by deed dated December 18, 1987, and recorded among the land records of Prince George's County, Maryland in Liber 6871, folio 145.

NOW, THEREFORE, in consideration of the acceptance by the Commission of the Owner's offer to provide private recreational facilities in lieu of mandatory dedication as provided for in said Section 24-135 of the Subdivision Regulations for Prince George's

PRINCE GEORGE'S COUNTY CIRCUIT COURT (Land Records) VJ 10555, p. 0081, MSA_CE64_10636.

County, Maryland, and for other good and valuable consideration, the parties hereto have agreed to the following provisions:

(1) Recreation Facilities. The Owner shall construct on the Property being subdivided, as referenced above, in accordance with the approved Comprehensive Design Plan, CDP No. 9407 the following recreational facilities in the following manner approved by the Planning Board, to wit:

(A) Recreation Facilities (the "Recreation Facilities").

i) Facilities west of Stream Valley (excluding the pool and bathhouse and the Master Plan trail along Enterprise Road)

- (a) one (1) sitting area with orientation feature
- (b) one (1) Tot Lot
- (c) one (1) Picnic Area
- (d) one (1) sitting area

ii) Pool and Clubhouse

iii) 3,010 lf of 8 foot wide Master Plan trail

iv) 535 lf of 6 foot wide community trail

v) one (1) sitting area with orientation feature

(B) Construction of the Recreation Facilities listed in subparagraph (A) above, shall be completed as follows:

i) Section i) shall be completed prior to the release of a Building Permit for the one hundredth (100th) Lot

ii) Section ii) shall be completed prior to the release of a Building Permit for the one hundred sixty-third (163rd) Lot

iii) Sections iii), iv) and v) shall be completed prior to the release of a Building Permit for the two hundredth (200th) Lot

(2) Performance Bonds.

(A) To assure the prompt and satisfactory construction of the Recreation Facilities set forth in Paragraph (1) above, the Owner, its successors and/or assigns, shall deliver to the Planning Board, Performance Bonds, in amounts to be determined by the Department of Planning as follows:

i) The Performance Bond for Sections i) and ii) shall be delivered to the Planning Board prior to release of any building permit.

ii) The Performance Bond for Sections iii), iv) and v) shall be delivered to the Planning Board prior to release of the one hundredth (100th) building permit.

(B) The performance bonds shall run to the benefit of the Commission and not be conditional. It is agreed by the parties hereto that the Commission shall use the performance bonds if it finds that the Owner has failed to construct the Recreation Facilities required under this Agreement to the objective satisfaction of the Commission, and in accordance with the plans filed with the Commission. The Commission's decision as to the satisfaction of the construction or completion of the Recreation Facilities shall be binding on all parties. All Recreation Facilities shall be constructed in accordance with the standards in the Parks and Recreation Facilities Guidelines, the manufacturer's specifications, and the guidelines in the latest edition of the Handbook for Public Playground Safety published by the Consumer Products Safety Commission.

(C) In the event that any Performance Bond is used by the Commission for the failure to satisfactorily complete construction of any of the Recreation Facilities, the Commission shall not incur any liability for the construction or completion of said Recreation Facilities.

(D) At such time that the Commission determines the Recreation Facilities are completed and a signed Recreation Facility Certification form is provided, the Performance Bonds, or any remainder thereof, shall be returned to the Owner.

(E) This Agreement and the Performance Bonds shall insure the completion of the Recreation Facilities set forth in Paragraph (1) above. With each phase of construction, as evidenced by the application for building permits and as determined by the Commission, the Owner shall provide a proportionate share of the amenities as set forth in Paragraph (1) above.

(F) If the construction of the Recreation Facilities specified in Paragraph (1) above is not completed within five (5) years from the date the performance bond was issued, the Commission reserves the right to re-evaluate the amount of the performance bond required pursuant to paragraph 2(a) above and increase or decrease same.

(G) Definition: For purposes of this Agreement, "Performance Bond" shall mean surety bond, letter of credit, escrow agreement or other suitable financial guarantee as determined by the Commission's Office of the General Counsel.

(3) Non-Discrimination. The Owner will not discriminate against any employee or applicant for employment because of age, sex, race, creed, color, national origin or physical handicap. The Owner will take affirmative action to insure that applicants are employed and the employees are treated during employment without regard to age, sex, race, creed, color, national origin or physical handicap.

(4) Indemnification. The Owner shall indemnify and save harmless

the Commission from and against all actions, liability, claims, suits, damages, cost or expenses of any kind arising from the Owner's negligence or failure to perform any of the obligations under the terms of this Agreement.

(5) Binding Covenant. The provisions of this Agreement shall be a covenant which shall run with the land and be binding on the successors and/or assigns of the Owner. In the event that the Owner assigns this Agreement to more than one successor, the Commission reserves the right to require a new or amended Agreement for each successor.

(6) Recordation. This Agreement shall be recorded among the Land Records of Prince George's County, Maryland. All recording fees are to be paid by the Owner. The original recorded Agreement is to be returned to the Planning Board. The failure of the Owner to record this Agreement shall preclude the issuance of any building permits that may be applied for in the above named subdivision.

(7) Modification. Any substantial modification of this Agreement, as determined by the Commission, shall be permitted only upon the filing of a new preliminary plat or site plan by the Owner, approval by the Planning Board or its designee, and the recording of an Amended Recreation Facilities Agreement.

(8) Entire Agreement. This instrument contains the entire Agreement between the parties and shall not be modified except by written Agreement signed by the parties and attached hereto, except that the parties acknowledge that the parties have executed another Recreational Facilities Agreement of even date herewith providing for construction by owner of certain other public recreation facilities on the Property.

(9) Severability. The invalidity or illegality of any provision of this Agreement shall be severed from this Agreement and shall not affect the remainder of this Agreement or any other provision contained herein.

(10) Applicable Law and Forum. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Maryland.

(11) Waiver. The failure of the Commission to enforce any part of this Agreement shall not be deemed as a waiver thereof.

(12) Termination. This Agreement shall not exceed a period of twenty (20) years from the date of execution. In the event that

the Recreation Facilities specified in Paragraph (1) above are not constructed as required, the Commission may require the Owner to enter into a new Recreation Facilities Agreement and post an additional or new performance bond.

(13) Recitals. The Recitals are hereby incorporated in this Agreement.

IN WITNESS WHEREOF, the parties hereto have affixed their respective hands and seals and caused this Recreational Facilities Agreement for Marleigh to be properly executed as of the day and year first above written.

ATTEST:

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

A. Edward Navarre
A. Edward Navarre
Secretary-Treasurer

BY: Trudye Morgan Johnson
Trudye Morgan Johnson

ENTERPRISE HILLS ASSOCIATES LIMITED PARTNERSHIP, A MARYLAND LIMITED PARTNERSHIP

APPROVED AS TO LEGAL SUFFICIENCY.

John P. ...
M-NCPPC Legal Department
Date 12/18/95

BY: TRAFALGAR HOUSE PROPERTY, INC., A DELAWARE CORPORATION, F/K/A CAPITAL HOMES MARYLAND, INC., F/K/A CAPITAL HOMES, INC., BY ITS TRAFALGAR HOUSE RESIDENTIAL, MARYLAND DIVISION, GENERAL PARTNER

David L. Carney

BY: David L. Carney
DAVID L. CARNEY
ATTORNEY-IN-FACT

STATE OF MARYLAND, COUNTY OF Howard

I HEREBY CERTIFY That on this 12th day of December, 1995, before me, a Notary Public of the State of Maryland, personally appeared David L. Carney, who acknowledged himself to be the Attorney-in-Fact of Trafalgar House Property, Inc., (the "Corporation") and that he, as such Attorney-in-Fact, being authorized so to do executed the foregoing instrument on behalf of the Corporation acting in its capacity as a General Partner in

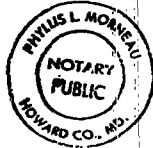
R-C:\WP\EX\TRAFALGAUSS36.058URECAGREE.502
12/12/95 (9:25am)

Enterprise Hills Associates Limited Partnership for the purposes therein contained by signing the name of the Corporation by himself as such Attorney-in-Fact.

WITNESS my hand and Notarial Seal.

Russell D. Karpoock
Notary Public

My Commission Expires: 2/1/98



ATTORNEY'S CERTIFICATION

This instrument has been prepared by or under the supervision of the undersigned Maryland attorney or by one of the parties named in this instrument.

Russell D. Karpoock
RUSSELL D. KARPOOCK

PRINCE GEORGE'S COUNTY CIRCUIT COURT (Land Records) VJ 10555, p. 0085, MSA_CE64_10636. Date available 09/16/2005. Printed 04/04/2014.

FIRST AMENDMENT TO
MARLEIGH COMMUNITY ASSOCIATION,
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

CLERK OF THE
CIRCUIT COURT
DEC 17 2 12 PM '96

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, made this 6th day of December, 1996, by Enterprise Hills Associates Limited Partnership, a Maryland Limited Partnership (hereinafter referred to as "Declarant");

WITNESSETH

WHEREAS, Declarant made, executed and caused to be recorded a Declaration of Covenants, Conditions and Restrictions (hereinafter called the "Declaration") dated the 17th day of January, 1996, and recorded among the Land Records of Prince George's County, Maryland, in Liber 10555, folio 20; and

WHEREAS, pursuant to Section 14.2 of Article XIV of the Declaration, Declarant reserved the right to amend this Declaration; and

NOW, THEREFORE, Declarant hereby states and declares as follows:

1. Section 1.14 of the Declaration hereby is deleted in its entirety and the following Section is inserted in lieu thereof:

"1.14. "Exclusive Common Area" shall mean and refer to certain portions of the Common Area which are for the exclusive use and benefit of one or more, but less than all, Neighborhoods. All costs associated with maintenance, repair, replacement and insurance of Exclusive Common Areas may be assessed against the Owners of Units in only those Neighborhoods which are benefitted thereby as a Neighborhood Assessment, as defined herein. By way of illustration and not limitation, Exclusive Common Areas may include recreational facilities intended for the exclusive use of Owners within a particular Neighborhood or Neighborhoods and supported exclusively by Neighborhood Assessments. Initially, any Exclusive Common Areas shall be designated as such and the exclusive use thereof shall be assigned in the deed conveying the Common Area to the Association. A portion of the Common Area may be assigned as Exclusive Common Area of a particular Neighborhood or Neighborhoods and Exclusive Common Area may be reassigned upon the vote of a majority of the total Association vote, including a majority of the votes within the Neighborhood(s) to which they are assigned."

P:\C:\WP7\TEXT\TRAFALGA13536.058\1.AMEND.DEC
12/05/96 (11:18am)

12/17/96
11:18 AM
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12/17/96
11:18 AM
REC'D
FILE # 3724

2. Section 3.3.1.1 of the Declaration hereby is deleted in its entirety and the following Section is inserted in lieu thereof:

"3.3.1.1. Each Neighborhood, upon the affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Neighborhood, may request that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood, the cost of which may be assessed against the benefitted Units as a Neighborhood Assessment pursuant to Section X."

3. Section 4.1.1. of the Declaration hereby is deleted in its entirety and the following Section is inserted in lieu thereof:

"4.1.1. Costs. Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of General Common Areas shall be a Common Expense to be allocated among all Units as part of the Base Assessment. All costs associated with maintenance, repair and replacement of Exclusive Common Areas may, if determined by a resolution of the Board of Directors, be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Units within the Neighborhood(s) to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder."

4. Section 4.1.2. of the Declaration hereby is deleted in its entirety and the following Section is inserted in lieu thereof:

"A. Neighborhoods. The Association shall also be responsible for maintenance, repair and replacement of property within any Neighborhood to the extent designated on any of the recorded plats of "Marleigh" as property to be maintained by a Neighborhood and/or in any Supplemental Declaration affecting the Neighborhood. The Association shall be responsible, for the benefit of the Single Family Detached Neighborhood, for maintenance of "Parcel A" as shown on the Plat entitled "Plat One, Lots 1 and 2 and Parcel 'A', Block 'A', Lots 1 and 2, Block 'C', "MARLEIGH," recorded or to be recorded among the Land Records of Prince George's County, Maryland. The Association may also assume maintenance responsibilities with respect to any Neighborhood in addition to those designated by any plat, and/or such Supplemental Declaration. This assumption of responsibility may take place either by contract or agreement or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-

Wide Standard of the Properties as a Neighborhood Assessment. All costs of maintenance pursuant to this paragraph may, by a resolution of the Board of Directors, be assessed as a Neighborhood Assessment only against the Units within the Neighborhood benefitted thereby. The provision of services in accordance with this Section shall not constitute discrimination within a class. The Association may maintain other property which it does not own, including, without limitation, wetlands, public roads, and other property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-wide Standard."

5. Section 4.1.2.1. of the Declaration hereby is deleted in its entirety and the following Section is inserted in lieu thereof:

"4.1.2.1. The Association shall, pursuant to the terms of Section 4.1.2, maintain, repair and replace that property designated as single family Neighborhood Maintenance Area on the plats of Marleigh recorded or to be recorded among the Land Records of Prince George's County, Maryland."

6. Section 5.1.1. of the Declaration is hereby deleted in its entirety and the following Section is inserted in lieu thereof:

"5.1.1. In addition to casualty insurance on the Common Area, the Association may, upon request of a Neighborhood, and shall, if so specified in a Supplemental Declaration affecting the Neighborhood, obtain and continue in effect adequate blanket all-risk casualty insurance, if reasonably available, on properties within the Neighborhood. If all-risk insurance is not reasonably available, then fire and extended coverage may be substituted. Such coverage may be in such form as the Board of Directors deems appropriate for one hundred percent (100%) of the replacement cost of all structures to be insured. The costs thereof may be charged to the Owners of Units within the benefitted Neighborhood as a Neighborhood Assessment, as defined in Section I hereof."

7. Section 5.5. of the Declaration is hereby deleted in its entirety and the following Section is inserted in lieu thereof:

"5.5. Repair and Reconstruction. If the damage or destruction to the Common Area or to the common property of a Neighborhood Association for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost

thereof, the Board of Directors shall, without the necessity of a vote of the Voting Members, levy a special assessment against all Owners on the same basis as provided for Base Assessments, provided, if the damage or destruction involves the common property of a Neighborhood, the Board of Directors may subject only the Owners of Units in the affected Neighborhood to assessment therefor. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction."

8. Section 10.3. of the Declaration is hereby deleted in its entirety and the following Section is inserted in lieu thereof:

"10.3. Computation of Neighborhood Assessments. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a separate budget covering the estimated Neighborhood Expenses to be incurred by the Association for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration or the By-Laws specifically authorizes the Board to assess certain costs as a Neighborhood Assessment, including the cost of maintaining, repairing, replacing, insuring and operating Exclusive Common Areas for the use and benefit of one (1) or more, but less than all, Neighborhoods or exclusive Neighborhood Maintenance Areas. Any Neighborhood may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement within the Neighborhood, as appropriate. Neighborhood Expenses may be allocated equally among all Units within the Neighborhood benefitted thereby. The Board shall cause a copy of such budget and notice for the amount of the Neighborhood Assessment to be levied on each Unit in the Neighborhood for the coming year to be delivered to each Owner of a Unit in the Neighborhood at least fifteen (15) days prior to the beginning of the fiscal year. In the event the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year. Until January 1st of the year immediately following the conveyance of the first Unit to a Class "A" Member Owner within that respective Neighborhood, the maximum annual Neighborhood Assessment shall be Two Hundred Forty and No/100 Dollars (\$240.00)."

shall be Two Hundred Forty and No/100 Dollars (\$240.00)."

9. Section 12.1.32. of the Declaration is hereby deleted in its entirety and the following Section is inserted in lieu thereof:

"12.1.32. T.V. Roof top television antennas, and satellite dishes in any location are prohibited without prior express written approval of the Board. Small satellite dishes located on balconies or patios are not permitted without the express written authorization of the Board of Directors. The Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all or a portion of the Properties, should any such master system or systems be utilized by the Association and require any such exterior apparatus."

10. Section 14.10. of the Declaration is hereby deleted in its entirety and the following Section is inserted in lieu thereof:

"14.10. Cumulative Effect; Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of any Neighborhood and the Association may, but shall not be required to, enforce the latter; provided, however, in the event of conflict between or among such covenants and restrictions, and provisions of any articles of incorporation, By-Laws, rules and regulations, policies or practices adopted or carried out pursuant thereto, those of any Neighborhood shall be subject and subordinate to those of the Association. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Association."

11. All terms used herein shall have the meanings specified in the Declaration.

12. Except as herein and heretofore amended, the Declaration shall be and remain in accordance with its original terms.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 6th day of December, 1996.

PRINCE GEORGE'S COUNTY CIRCUIT COURT (Land Records) VJ 11164, p. 0354, MSA_CE64_11244. Date available 09/16/2005. Printed 04

DECLARANT:

ENTERPRISE HILLS ASSOCIATES LIMITED PARTNERSHIP, A MARYLAND LIMITED PARTNERSHIP

BY: TRAFALGAR HOUSE PROPERTY, INC., A DELAWARE CORPORATION, F/K/A CAPITAL HOMES OF MARYLAND, INC., F/K/A CAPITAL HOMES INC., BY ITS TRAFALGAR HOUSE RESIDENTIAL, MARYLAND DIVISION, GENERAL PARTNER

Maria Luisa Barata

Michael J. Lance

(SEAL)

Michael J. Lance
Vice President and
Attorney-in-Fact

STATE OF MARYLAND, COUNTY OF HOWARD,

I HEREBY CERTIFY That on this 6th day of December, 1996, before me, a Notary Public of the State of Maryland, personally appeared before me Michael J. Lance, who acknowledged himself to be the Attorney-in-Fact of Trafalgar House Property, Inc., (the "Corporation") and that he, as such Officer, being authorized so to do executed the foregoing instrument on behalf of the Corporation acting in its capacity as a General partner in Enterprise Hills Associates Limited Partnership for the purposes therein contained by signing the name of the Corporation by himself as such Attorney-in-Fact.

WITNESS my hand and Notarial Seal.



Kelly A. Buble

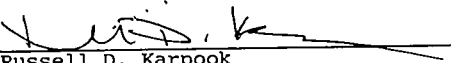
Notary Public
KELLY A. BUBLE
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires June 1, 2000

My Commission Expires:

ATTORNEY'S CERTIFICATION

This instrument has been prepared by or under the supervision of the undersigned Maryland attorney or by one of the parties named in this instrument.

PRINCE GEORGE'S COUNTY CIRCUIT COURT (Land Records) VJ 11164, p. 0355, MSA_CE64_11244. Date available 09/16/2005. Printed 04


Russell D. Karpook

Post Recording Return To:

Russell D. Karpook, Esquire
FRANCOMANO & KARPOOK, P.A.
20 S. Charles Street, 8th Floor
Baltimore, Maryland 21201