

AMENDED AND RESTATED DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF ST. GEORGE'S HUNDRED HOMEOWNERS ASSOCIATION

THIS AMENDED AND RESTATED DECLARATION, made this 25th day of January, 1989, by St. Mary's One Limited Partnership, a Maryland Limited Partnership (the "Declarant").

2:45PM01/27/89E C.R. \$76.00

WITNESSETH:

WHEREAS, Declarant has subjected certain real property located in Great Mills, St. Mary's County, Maryland (more particularly described below) to certain covenants, conditions and restrictions by a "Declaration of Covenants, Conditions and Restrictions of St. George's Hundred Homeowners Association", dated September 20, 1988 and recorded among the Land Records of St. Mary's County, Maryland on the same date in Book 432 at page 450 (the "Declaration"); and

WHEREAS, Declarant desires to gain the approval of the United States Veterans Administration for federally approved mortgage financing for the Property and any Lot which is a part thereof, under applicable Veterans Administration programs, and, as a condition precedent to such Veterans Administration approval, the Declaration must comply with applicable Veterans Administration rules and regulations; and

WHEREAS, in addition Declarant desires to annex additional land, as described in Exhibit B of the Declaration, to the Property, so that such additional land shall become a part of the Property subject to all of the covenants, conditions and restrictions of the Declaration; and

WHEREAS, by this Amended and Restated Declaration of Covenants, Conditions and Restrictions of St. George's Hundred Homeowners Association, the Declarant completely restates and amends the Declaration for the purposes of (i) gaining Veterans Administration Approval of federally approved mortgage financing for the Property and the Lots thereon, and (ii) annexing the additional land described in Exhibit B of the Declaration so that such additional land shall be a part of the Property subject to the covenants, conditions and restrictions of this Amended and Restated Declaration; and

WHEREAS, by unanimous resolution, the General Partner of the Declarant, as of the date first above written, has approved this Amended and Restated Declaration of Covenants, Conditions and Restrictions as the valid act of the Declarant, and the Declarant, as the only member of the Association, there being no Lot Owners or first mortgagees, has approved this Amended and Restated Declaration of Covenants, Conditions and Restrictions as the valid act of the Association.

NOW, THEREFORE, pursuant to Article XI, Section 3, and Article IX, Sections 2 and 3 of the Declaration, the Declaration is completely and wholly amended and restated as follows:

* W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in Great Mills, County of St. Mary's, State of Maryland, which is more particularly described in Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, Declarant intends to develop or cause to be developed on the Property townhomes with appurtenant areas for parking and access and for open space; and

WHEREAS, Declarant desires to subject the Property and the improvements located or to be located thereon, to the covenants, conditions and restrictions set forth herein which are for the purpose of protecting the value and desirability of the Property and the improvements thereon and are for the purpose of distributing among the owners of the improvements the cost of maintaining and operating the common areas (as hereinafter defined), and any improvements constructed thereon; and

WHEREAS, Declarant has caused a non-profit membership corporation known as "St. George's Hundred Association, Inc." (the "Association") to be formed in order to perform certain functions on behalf of the owners of lots within the Property, including, but not limited to, the enforcement of the covenants, conditions and restrictions herein set forth, the management of the common areas to be owned by the Association, and the collection and disbursement of the assessments and charges hereinafter created.

NOW THEREFORE, Declarant hereby declares that the Property, or any part thereof, 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 enhancing the attractiveness of the Property, and which shall run with the Property, or any part thereof, and shall be binding upon all parties having any right, title or interest in the Property, or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner of the Property, or any part thereof, and their respective heirs, personal representatives, successors and assigns, and the Association.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to St. George's Hundred Association, Inc., a Maryland nonprofit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" shall mean and refer to that certain real property described in Exhibit A attached, and such additions thereto as may hereafter be brought within the jurisdiction of the Association and subjected to this Declaration as herein provided.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners, and is intended to be the entire Property, save and except for Lots (as hereinafter defined). The Common Area shall include all roads, streets and parking areas within the Property unless the same are dedicated to the County or State for public use, and shall include the areas of "open space" on the subdivision plats of the Property totaling approximately 10.0 acres more or less. The Common Area to be owned by the association at the time of conveyance of the first Lot to an Owner is described as follows:

Beginning at a point on the northwesterly side of Strickland Road, 40 ft. right-of-way, said point being the most southeasterly corner of the herein described; thence from said point of beginning and running N 87 degrees 54 minutes 10 seconds W a distance of 346.32 feet to a point; thence N 00 degrees 29 minutes 44 seconds E a distance of 148.45 ft. to a point; thence S 87 degrees 54 minutes 10 seconds E a distance of 481.67 ft. to a point on the aforesaid Strickland Road; thence running with said road S 43 degrees 34 minutes 44 seconds W a distance of 198.07 ft. to a point at the place of beginning.

Containing 1.410 acres of land subject to any and all right-of-ways and/or easements of record. Also subject to all necessary easements for slopes, utilities and drainage for the construction of St. George's Hundred.

Section 5. "Board of Directors" shall mean the Board of Directors from time to time of the Association.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Property with the exception of the Common Area and the beds and rights of way of any public road or street within the Property.

Section 7. "Declarant" shall mean and refer to St. Mary's One Limited Partnership, a Maryland Limited Partnership, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 1. Grant of Lots. Declarant shall hereafter hold, grant and convey the Property, or any parts thereof, including Lots and Common Areas, subject to the covenants, conditions and restrictions herein set forth, which are for the benefit of, binding upon and shall run with the Property, and are for the benefit of Declarant, the Association and the Owners, their heirs, personal representatives, successors and assigns.

Section 2. Grant of Common Uses. Declarant covenants that it will convey and/or dedicate to the Association prior to conveyance of the first Lot to a class A member in the respective sections of the Property, the Common Areas of such section, and the Association shall accept from Declarant such Common Areas and shall hold them subject to the provisions hereof.

Section 3. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or

transfer signed by 2/3rds of each class of members has been recorded.

(d) the right of individual Owners to the exclusive use of parking spaces as provided in this Article.

Section 4. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right to enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property, and such other persons as may be permitted by act of the Association.

Section 5. Structures. Except as otherwise permitted by the provisions of this Declaration, no structure shall be erected, placed or maintained on any Common Area except: (i) structures designed exclusively for the common use of Owners; and (ii) drainage, storm and utility systems. The Common Areas may be graded, planted with trees and shrubs and other plants placed and maintained thereon for the use, comfort and enjoyment of the Owners or for the establishment, retention or preservation of the natural growth or topography of the Common Areas and for aesthetic reasons.

Section 6. Rules. The Association shall have the right to prescribe reasonable rules and regulations governing the use of the Common Areas; which rules and regulations shall be applied equally to all Owners.

Section 7. Association Management. The Association may improve, develop, supervise, manage, operate, examine, inspect, care for, repair, replace, restore and maintain the Common Areas, together with any items of personal property placed or installed thereon, at the cost and expense of the Association.

Section 8. Parking Rights. The ownership of each Lot shall entitle the Owner or Owners thereof to the use of not more than two (2) automobile parking spaces, which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in and upon said parking area. The Association shall permanently assign two (2) vehicle parking spaces for each Lot.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

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

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease, subject to revival upon additional land being annexed to the Property pursuant to this Declaration, and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on September 14, 2003.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of Lots in the Property and for the improvement and maintenance of the Common Area and, in the discretion of the Board of Directors, the maintenance of the homes situated upon the Property as provided in this Declaration.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Four Hundred Twenty Dollars (\$420.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than either 5% above the maximum assessment for the previous year or the percentage increase in the previous year in the Consumer Price Index, "All Items United States", whichever is greater, without a vote of the membership.

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

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, and/or to meet any other deficit of the Association or any emergency or unforeseen expense of the Association, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 above shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, except that the Common Area and all properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Maryland shall be exempt from the Assessments created herein, except no land or improvements devoted to dwelling or commercial use shall be exempt from said Assessments.

Section 7. Date of Commencement of Annual Assessments: Due Dates. (a) The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be fixed by the Board of Directors and shall be adjusted according to the number of months remaining in the calendar year. Thereafter, the Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

(b) If additional land is annexed to the Property, the annual assessments as to the Lots added to the Property by such annexation shall commence on the date that the land is annexed to the Property by recording of an amendment to this Declaration thus annexing such land to the Property and shall be prorated for the remainder of that fiscal year.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment which is not paid when due shall be delinquent. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six (6%) percent per annum and the Board of Directors shall have the right to declare the entire balance of the annual assessment and accrued interest thereon to be immediately due and payable. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or without waiving any other right, may foreclose the lien against the Lot, and interest, costs and reasonable attorneys fees incurred by the Association shall be added and shall become due as part of the assessment and may be recovered in any action by the Association. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust now or hereafter placed against a Lot, unless such lien for assessments has been duly recorded as such among the Land Records of St. Mary's County, Maryland, prior to the recording of such mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure or any proceeding in lieu thereof, of a mortgage or deed of trust senior in priority to the assessment lien, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. Any contract purchaser of a Lot shall be entitled, on written request to the Association, to a statement in writing from the Association setting forth the amount of any unpaid assessment against the Owner of the Lot due the Association, and such purchaser shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessments made by the Association against the Owner-Grantor or the Lot in excess of the amount set forth in such statement.

Section 10. Maryland Contract Lien Act. The Association may establish and enforce the lien for any assessment, annual or special, granted herein pursuant to the Maryland Contract Lien Act. The lien is imposed upon the Lot against which such assessment is made. The lien may be established and enforced for damages, costs of collection, late charges permitted by law, and attorney's fees provided for herein or awarded by a court for breach of any of the covenants herein.

Section 11. Surplus Receipts. Any surplus of receipts over expenses of the Association for any fiscal year shall be either applied to reduce the assessments necessary to meet the budget adopted by the Association for the next fiscal year or refunded by the Association to each Owner, and the refund may be prorated among the Owners (and former Owners), including the Declarant(s), based upon the portion of the previous fiscal year that each such Owner (or former Owner), including the Declarant(s), shall have held record title to the Lot, as determined by resolution of the Board of Directors.

ARTICLE V

RESERVED RIGHTS OF DECLARANT

Section 1. Reserved Rights of Declarant. The Association shall hold the Common Areas conveyed to it by Declarant subject to the following:

(a) The reservation to Declarant, its successors and assigns, of an easement over any part of the Common Areas,

including any roads located thereon, such easement for the purpose of ingress and egress and the installation and maintenance of public and private utilities to serve the Property and any part thereof, including any Lot.

(b) The reservation to Declarant, its successors and assigns of an easement to store reasonable amounts of building supplies, construction equipment and other similar property on any Lot it owns and/or on the Common Areas. This reserved right shall expire after completion of construction of all improvements by Declarant, its successors or assigns, on all Lots and Common Area within the Property.

Section 2. Sales and Construction Offices. Declarant may construct, maintain and operate real estate sales and construction offices, model homes, displays, signs and special lighting on any part of the Common Areas or on any Lot it owns and on or in any building or structure now or hereafter erected thereon. This reserved right shall expire one (1) year after completion of construction and sale of all improvements by Declarant, its successors or assigns, on all Lots and common area within the Property.

Section 3. Easement for Utilities. Declarant, for itself, its successors and assigns, reserves an easement on, over and under the Common Areas for the purpose of ingress and egress and the installation and maintenance of public and private utilities to serve the Property and the Lots therein, including, but not limited to, the right to lay, install, construct and maintain pipes, drains, mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located, together with the right and privilege of entering upon the Common Areas for such purposes and making openings and excavations thereon, which openings and excavations shall be restored in a reasonable period of time.

ARTICLE VI

EXTERIOR MAINTENANCE

Section 1. Maintenance by Owner. The Owner of each Lot shall keep the Lot, and all improvements thereon, in good order and repair, including the performance of all repairs and maintenance not undertaken by the Association as expressly provided in this Declaration or by formal resolution of the Board of Directors, in a manner and with such frequency as is consistent with good property management and maintenance. If, in the opinion of the Board of Directors any Owner fails to perform the duties imposed hereunder, the Association, on affirmative action of a majority of

the Board of Directors, after fifteen (15) days written notice to the Owner to remedy the condition in question, and upon failure of the Owner to remedy the condition, shall have the right (but not the obligation), through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint and/or restore the Lot and the improvements or structures thereon and the cost thereof shall be a binding, personal obligation of such Owner of the Lot, and an additional assessment on the Lot.

Section 2. Exterior Maintenance by Association. In addition to maintenance upon the Common Area, the Association may, as determined from time to time by resolution of the Board of Directors, provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: painting (every fifth year), lawn care for front yards, maintenance of trees, shrubs, walks and landscaping for front yards, and garbage pick-up (at least two time per week). Such exterior maintenance shall include only those maintenance items listed above that are expressly undertaken by the Association by formal resolution of the Board of Directors, and shall not include other maintenance and repairs. Maintenance items listed above not undertaken by resolution of the Board of Directors and all other maintenance and repairs for each Lot shall be the responsibility of the individual Lot Owner. In the event the need for maintenance or repair of a Lot or the improvements thereon is caused through the willful or negligent acts of the Owner, or of the family, guests or invitees of the Owner, and such maintenance or repair is undertaken by the Association, the cost of such exterior maintenance or repair shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. Building Restrictions. No building, fence, wall or other structure shall be commenced, erected or maintained upon any Lot or the Property, nor shall any exterior addition to or change or alteration therein be made after completion by the Declarant, nor shall the natural state of any area of any Lot be disturbed or altered by an Owner or at the direction of an Owner until the plans and specifications showing the nature, kind, shape, dimensions, height, materials, floor plans, color scheme, exterior plans and details, and location of the same, together with the estimated cost of the work and the Owner's proposed completion schedule, and together with a designation of the party or parties to perform the work, shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or

disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 2. Disapproval of Plans. In any case where the Board of Directors or architectural committee shall disapprove the 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 in writing of the grounds upon which such action was based. In any such case, the Board of Directors or architectural committee 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, the final decision of the Board of Directors or architectural committee is binding.

Section 3. Approval of Plans. The applicant shall submit for approval two sets of plans and specifications. Upon approval by the Board of Directors or architectural committee, one copy of such plans and specifications shall be retained by the Board, and the other bearing approval in writing shall be returned to the applicant.

Section 4. Nonapproved Structures. If any structure shall be altered, erected, placed or maintained upon any Lot, or any new use commenced on any Lot, in violation of the provisions hereof, such structure or new use shall be removed or discontinued, and such use shall be terminated so as to extinguish such violation. If within fifteen (15) days after notice from the Board of Directors of such violation, the Owner of the Lot upon which such violation exists shall not have taken reasonable steps towards the removal or termination of the same, the Association, through its agents and employees, shall have the right to enter upon the Lot and to take such steps as it deems necessary to extinguish such violation and the cost thereof shall be a binding, personal obligation of the Owner of the Lot, and an additional assessment on the Lot.

Section 5. Completion of Construction. Upon completion of construction of any structure in accordance with the provisions hereof, the Board of Directors, upon request of the applicant shall issue a Certificate of Compliance in form suitable for recordation among the Land Records of St. Mary's County, Maryland, identifying such structure and the Lot on which such structure is placed, and stating that the structure has been completed pursuant to the terms hereof. Preparation and recording of such Certificate shall be at the expense of the applicant. Any Certificate of Completion issued pursuant hereto shall be *prima facie* evidence of the facts therein stated, and as to any purchaser or encumbrancer in good faith, and for value, or as to any title insurer, such Certificate shall be inclusive evidence that all structures on the Lot noted in such certificate comply with the provisions hereof.

Section 6. Declarant Exemption. The provisions of this Article Seven shall not apply to any structures made by Declarant, or any other improvements made by Declarant on any Lot, or within the Property or any addition thereto.

Section 7. Architectural Review Rules. The Board of Directors may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of Article Seven of this Declaration.

ARTICLE VIII

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

Section 1. Residential Use. Lots will be used for residential purposes only, except that Declarant may use any Lot as a model home and for sales, management and/or construction offices during the construction and sale of improvements on the Property and for a reasonable time thereafter.

Section 2. Motor Vehicles. All boats, boat trailers, house trailers, trailers, trucks, recreational vehicles, campers, nonpassenger vehicles and the like shall be parked only in designated parking areas. No such vehicle may be kept in the open on any Lot or on the Common Area, other than in designated parking areas.

Section 3. Structures. No structure may be erected or maintained on any Lot in violation of Article VII above, requiring approval of the Board of Directors or architectural committee.

Section 4. Animals. No animals may be kept, maintained or bred on any Lot, except that no more than two (2) dogs, cats or similar domestic household pets may be kept on a Lot, provided they are not kept, bred or maintained for any commercial purpose and provided further that they are kept in such a manner as to avoid becoming a nuisance to neighbors or adjoining property owners. No animal shall be permitted outside of the dwelling of an Owner unless the animal is under the control of a responsible person. Upon request of any Owner, the Board of Directors shall determine, in its sole discretion, and conclusively, whether for the purposes of this paragraph a particular animal shall be considered a "similar domestic household pet" or its actions have constituted a "nuisance", or it has been properly kept "under the control of a responsible person".

Section 5. Parking Areas. All motor vehicles shall be stored or parked only in designated parking areas on a Lot or the Common Areas. All such vehicles shall be in working order, properly registered and no repairs, except those of a minor nature, shall be permitted to be done on any such vehicles on any of the Common

Areas or on any Lot, unless such work is done within a fully enclosed garage on such Lot.

Section 6. Noises and Nuisances. No nuisance shall be maintained, allowed or permitted on any part of any Lot or Common Area, and no use thereof shall be made or permitted which may be noxious or detrimental to health or which may become an annoyance or nuisance to the neighborhood.

Section 7. Trash. No lumber, metals, bulk materials, garbage, refuse or trash shall be kept, stored or allowed to accumulate on any Lot; no Lot shall be used or maintained as a dumping ground for any material; trash, garbage or other waste shall not be kept on any Lot except in sanitary containers. Trash or other refuse that is to be disposed of by being picked up and carried away on a regular and reoccurring basis, may be placed in the open in a container on any day that a pick-up is to be made, at such place on the Lot so as to provide access to persons making such pick-up. At all other times, such containers shall be stored in a reasonable manner on a Lot.

ARTICLE IX

ANNEXATION

Section 1. Additional Property. Additional residential Lots and Common Areas may be annexed to the Property with the consent of two-thirds (2/3) of each class of Members.

Section 2. Recording. Any annexation made to the Property hereunder shall be done and become effective upon recording of an Amendment to this Declaration by Declarant among the Land Records of St. Mary's County, Maryland, specifying the additional land to be annexed to the Property.

ARTICLE X

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Property and placed on the dividing line between the Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing and Repair and Maintenance. 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.

Section 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 wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, subject 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 omission.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article X shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of a dispute concerning any matter related to a party wall, including, but not limited to, its use, maintenance, repair and/or restoration, each party to the dispute shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the matter shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association, or similar successor organization, and the decision of a majority of all arbitrators shall be final and conclusive as to the matter at issue.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. (a) The covenants and restrictions of this Declaration shall run with and bind the Property, or any part thereof, and any additions thereto, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten

(10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

(b) Until the conclusion of the construction and sale of improvements on the Property, including any extended period for additional land annexed to the Property, no amendment may alter or affect any rights granted hereunder to Declarant without the prior written consent of Declarant.

(c) Anything set forth above to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power and authority to amend, modify, revise or change any of the terms or provisions of this Declaration, all as from time to time amended or supplemented. This unilateral right, power and authority of the Declarant may be exercised only if either the Veterans Administration or the Federal Housing Administration or any successor agencies thereto shall require such action as a condition precedent to the approval by such agency of the Property or any part thereof or of any Lot thereof, for federally approved mortgage financing proposed under applicable Veterans Administration, Federal Housing Administration or similar programs. If the Veterans Administration or the Federal Housing Administration or any successor agency approves the Property or any part thereof or any Lot thereon for federally approved mortgage financing purposes, thereafter any amendments to the Declaration made during any period of time when there are Class B Members shall also require the prior consent of the agency giving such approval.

Section 4. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 25th day of January, 1989.



By: Charles D. Reed
Charles D. Reed
Secretary

DECLARANT:

ST. MARY'S ONE LIMITED PARTNERSHIP,
a Maryland Limited Partnership

BY ST. MARY'S ONE DEVELOPMENT
CORPORATION, General Partner

Dennis J. Makielski
Dennis J. Makielski
President

STATE OF MARYLAND
COUNTY OF CHARLES

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I HEREBY CERTIFY that on this 25th day of January, 1989, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Dennis J. Makielski, President of St. Mary's One Development Corporation, authorized General Partner of St. Mary's One Limited Partnership, a Maryland limited partnership, the Declarant, and that he as such President, being so authorized to do, executed the foregoing Declaration for the purposes therein contained, by signing in my presence, the name of the Partnership by himself as such Preident of the General Partner.

AS WITNESS my hand and Notarial Seal.

Brenda K. Haughton
Notary Public

My Commission Expires:

My Commission Expires July 1, 1990

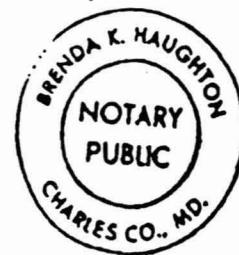


EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Beginning at a point on the easterly side of Chancellors Run Road, 40 ft. right-of-way, said point being the southwesterly corner of property now-or-formerly Thomas L. Leonard as recorded among the land records of St. Mary's County, Maryland in liber MRB 239 folio 177; thence from said point of BEGINNING and running with said Leonard S 85 degrees 23 minutes 45 seconds E a distance of 791.90 ft. to a point at the southwesterly corner of property now-or-formerly Alphonso Hewitt as recorded among the above mentioned land records in liber 15 folio 434; thence running with said Hewitt S 84 degrees 52 minutes 23 seconds E a distance of 1140.63 ft. to a point at the northwesterly corner of property now-or-formerly Joseph M. Heard as recorded among the above mentioned land records in liber 28 folio 374; thence running with said Heard S 41 degrees 27 minutes 09 seconds E a distance of 221.93 ft. to a point; thence by the same S 48 degrees 08 minutes 36 seconds W a distance of 293.88 ft. to a point; thence by the same S 33 degrees 43 minutes 25 seconds W a distance of 274.73 ft. to a point; thence by the same S 28 degrees 13 minutes 32 seconds W a distance of 113.21 ft. to a point on the line of property now-or-formerly Helen G. Strickland as recorded among the above mentioned land records in liber 9 folio 389; thence running with said Strickland Rd. S 63 degrees 20 minutes 44 seconds W a distance of 213.78 ft. to a point; thence by the same S 66 degrees 50 minutes 32 seconds W a distance of 297.96 ft. to a point; thence by the same S 43 degrees 41 minutes 33 seconds W a distance of 225.62 ft. to a point on the northerly side of Strickland Rd., 40 ft. right-of-way; thence running with said Strickland Rd. S 43 degrees 34 minutes 44 seconds W a distance of 198.07 ft. to a point; thence N 87 degrees 54 minutes 10 seconds W a distance of 346.32 ft. to a point at the southeasterly corner of property now-or-formerly P. and H. INC. as recorded among the above mentioned land records in liber 249 folio 201; thence running with said P. and H. INC. N 00 degrees 29 minutes 44 seconds E a distance of 788.00 ft. to a point; thence by the same N 87 degrees 54 minutes 14 seconds W a distance of 555.00 ft. to a point on the AFORESAID Chancellors Run Rd.; thence with said Chancellors Run Rd. N 00 degrees 24 minutes 26 seconds E a distance of 554.96 ft. to the place of BEGINNING.

CONTAINING 37.425 acres of land SUBJECT to a title search and to any and all rights-of-way and/or easements of records.