

FINAL CHESAPEAKE SHORES BEACH COMPROMISE CONDITIONS

CHESAPEAKE SHORES RESPONSE & COMMENTS 3/29/12 IN REDLINE

- **“Plus 4” suit to be non-suited – No, suit is consolidated with “road suit” CL 11-36. Most efficient way to handle is for Court to consider both suits at the same time, and if Chesapeake Shores’ (HOA) request is granted, have the Receiver convey all assets of the defunct/dissolved Chesapeake Shores, Inc. to the HOA.**
- **CSHOA suit for road conveyance to be amended to include the request to include the beach common open space area – No, see above.**
- **CSHOA will request appointment of a Receiver to be directed by the court to convey all assets of Chesapeake Shores, Incorporated to only the CSHOA and to no other entity – this is already the request in the “road suit”, and the HOA will move the Court that it be conveyed all of the beach and other common areas in the “Plus 4” suit.**
- **The deed of conveyance will state that the original Plat easement wording included in the original plats, such as “Reserved for Property Owners in Subdivision” will be maintained in perpetuity and shall run with the land. This occurs as a matter of law. The only way for the terms of use for the common areas to be modified in substance is for all Chesapeake Shores homeowners to agree (assuming that the restrictions/covenants do not provide for changes by a lesser number).**
- **The deed shall contain wording that provides for access to and use of the beach, for any legal purpose not prohibited by deed, for all property owners, their families and heirs, assigns and guests without restriction. Access issues are controlled by the existing restrictions/covenants and will not be changed by conveyance to the HOA.**
- **The deed shall state that “No motorized vehicles of any type shall be allowed on the beach at any time”. Also, it shall state that no structures of any type shall be constructed or built within the boundaries of the association-owned beach, nor shall any extension of any structure, including walkways and decks, be extended into any part of the beach area owned by the association. Further restriction of the common areas cannot be done by the subdivision without the consent of all Chesapeake Shores homeowners. State or federal law may now or in the future impact some or all of these aspects**
- **“Fee simple” ownership shall not be requested or any ownership type that provides for total and complete control of the beach area by the association. I do not understand this “condition”. The HOA will request that the common areas (road & beach & common area lots) be conveyed to it in fee simple, subject to the existing uses as set forth in the covenants/restrictions. The HOA will administer the common**

areas for the good of all Chesapeake Shores homeowners consistent with the existing covenants/restrictions and existing law.

- All restrictive provisions of the deed shall run with the land and shall be amended only with the written permission of each house / cottage owner in the subdivision. **Already the case.**
- The deed of conveyance shall specify that the CSHO association shall be prohibited from selling, conveying, transferring, giving, disposing of or assigning any portion of the beach area to any entity at any time now or in the future. **This cannot be done and is unwise. Any hypothetical conveyance would still be subject to existing covenants/restrictions.**
- Upon dissolution of the Association or any successor, ownership of the beach shall be automatically returned to the original owner, Chesapeake Shores, Inc. on or before the effective date of dissolution. **This cannot be done. Chesapeake Shores, Inc. is a defunct/dissolved corporation and now has no existence.**
- Failure of the CSHOA to promptly enforce and abide by all provisions of this deed shall be grounds for the revocation of this deed and the return of the beach to the original owner. CSHOA shall be responsible for the legal expenses incurred by any property owner bringing suit against the association for violations of the terms of this deed if such legal action is upheld by any court in Mathews County. **Cannot be done and would constitute an ineffective right of reverter to a now non-existent entity. As a matter of law, any homeowner aggrieved by the actions of the HOA or feeling that it has not fulfilled its duty to properly administer the common areas on behalf of the residents of Chesapeake Shores can always bring a suit in Mathews Circuit Court, either against the HOA or against any individual homeowner who is violating the restrictions/covenants. In that suit, the aggrieved homeowner can request that his/her legal expenses be paid by the HOA or party at fault, and the decision whether to award such expenses would be in the sound discretion of the Court.**
- A letter announcing the resolution shall be communicated via e-mail to all property owners in Chesapeake Shores before the final court hearing recognizing the cooperative efforts of F&W and Joe Sties in resolving the ownership issues (copy attached). **The HOA does not agree to this.**
- Mr. Sties to be released from Judge Fisher's order to contribute to Receivers cost or Petitioners guaranteed agreement to cover those costs. **The other parties to the "Plus 4" suit can, if they wish, request that Mr. Sties be relieved of any obligation to share in the cost of the Receiver, and Mr. Sties can renew this request to the Mathews judge. Whether it is granted is entirely up to the Court.**

PROPOSED WORDING FOR ANNOUNCEMENT OF BREAKTHROUGH

Your Homeowner's Association board is happy to announce a breakthrough in the attempt to obtain ownership of our beach and roads. Thanks to the cooperative efforts of Tylan Dean and Mike Drummond of the U.S. Fish and Wildlife Service and Joe Sties, our neighbor, we have crafted an agreement to make this possible while guaranteeing important ownership rights for all property owners in Chesapeake Shores. Our thanks to Tylan, Mike and Joe for their efforts.

The board regrets the efforts of some to portray Mr. Sties as someone who has cost the Association money and who has caused delays in this long process. These statements were not true and we regret any concerns they may have caused Mr. Sties and his wife. They are good neighbors.

As soon as the final legal work has been completed, we will make a further announcement. Thank you for your support and patience.

Peyton Carr