DISCLOSURES FOR CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC. REQUIRED BY MARYLAND HOMEOWNERS ASSOCIATION ACT

Pursuant to Section 11B-105(b) of the Maryland Homeowners Association Act, the following disclosures are provided:

- 1. Provide the name, principal address and telephone number of the Vendor and the Declarant.
 - a. The Vendor and Declarant is:

Foster Communities of Maryland, Inc. 1121 Maiden Choice Lane Baltimore, Maryland 21229 (410) 242-7017

- b. The names of the principal officers are: Bruce Foster, President, and Steve Gudeman, Executive Vice President. The business address for the principal officers is 1121 Maiden Choice Lane, Baltimore, Maryland 21229.
- 2. Provide the name, state of incorporation and resident agent for the Homeowners Association.
 - a. The homeowners association is "Campfire Hills Homeowners Association, Inc.", a Maryland corporation. The resident agent in Maryland is Richard Rudy.
- 3. Describe the location and size of the development and identify any adjacent property owned by the Declarant or Vendor.
 - a. The Campfire Hills Community is located on the west side of Berry Lane, north of its intersection with Berry Place. The community consists of 40 single-family lots and various common areas located on approximately 21.4 acres.
 - b. The Declarant and the Vendor do not own any property contiguous to the Campfire Hills Community.

4. If the development is within or part of another development, describe the other development.

Campfire Hills is not within or part of another development.

5. Describe any property which the Declarant has reserved the right to annex into the development.

The Declarant has not reserved the right to annex a specific property into the development. The Declarant has reserved the right generally to annex any property contiguous to or in the vicinity of the property subject to the Declaration pursuant to Section 2.02 of the Declaration.

- 6. Provide a copy of the Articles of Incorporation, Declaration of Covenants, Conditions and Restrictions and Bylaws and any rules of the development.
 - a. A copy of the Declaration of Covenants, Conditions and Restrictions for the Campfire Hills Homeowners Association, recorded among the Land Records of Prince George's County, Maryland at Liber 20793, folio 23, is attached as <u>Exhibit "A"</u>.
 - b. A copy of the Bylaws of the Homeowners Association are attached to this Disclosure as Exhibit "B". The Homeowners Association also has the right to adopt additional rules and regulations, although none have been adopted at this time. Any purchaser of a lot within the subdivision is obligated by the contents of these documents. In addition, the contents of these documents are enforceable against a lot owner and his/her tenants, if any.
 - c. A copy of the Articles of Incorporation are attached hereto and made a part hereof as Exhibit "C". The Articles of Incorporation, and any amendment thereto which may be recorded, are available for inspection at the State Department of Assessments and Taxation, Charter Division, 301 West Preston Street, Baltimore, Maryland 21201.
 - d. All of the obligations set forth in the Declaration, Bylaws and Articles of Incorporation are enforceable against each owner and any tenant(s) of the owner.

7. Describe any property which is currently planned to be owned, leased or maintained by the Homeowners Association.

All of the property which is owned and proposed to be maintained by the Campfire Hills Homeowners Association is described in $\underline{\text{Exhibit "B"}}$ of the Declaration of Covenants, Conditions and Restrictions which are attached as $\underline{\text{Exhibit "A"}}$ of this Disclosure Statement.

8. Provide a copy of the estimated proposed or actual annual budget for the Homeowners Association, and a copy of the current projected budget for the Homeowners Association based upon the development fully expanded in accordance with the Declaration.

A copy of the budget is attached as Exhibit "D".

9. Generally describe the mandatory fees or assessments to be paid by owners of lots for the use, maintenance, and operation of common areas and whether the Declarant will be obligated to pay the fees in whole or in part.

The mandatory fees and assessments to be paid by owners of lots are outlined in <u>Exhibit "D"</u>. Section 5.03 of the Declaration requires the Declarant to pay any and all expenses incurred by the Association, with certain limitations, during the period of time that the Declarant holds Class B membership in the Association.

10. Describe the zoning and land use requirements affecting the development and where such information is available for inspection.

The property which comprises the Campfire Hills development is zoned R-80. The property was subdivided pursuant to an application referenced as Preliminary Plat of Subdivision No. 4-05092 among the records of Prince George's County Department of Planning. The subdivision plats are recorded among the Land Records of Prince George's County at Plat Book 212, Plats 65, 66 and 67. The subdivision plans, as well as a copy of the Prince George's County Zoning Ordinance, are available for inspection at the offices of The Maryland-National Capital Park and Planning Commission, 14741 Governor Oden Bowie Drive, County Administration Building, Upper Marlboro, Maryland 20772.

- 11. Generally describe the mechanism for setting, increasing, enforcing and collecting Homeowners Association fees and assessments.
 - Mandatory Homeowner Association fees and a. assessments are required by Article V of the Conditions Covenants, Declaration οf and Section 5.01 provides that Restrictions. obligation to pay annual assessments shall commence upon acceptance of the deed of conveyance. Declarant may also establish a working capital fund by collecting a one-time assessment of two (2) times the monthly assessment at settlement.
 - b. Pursuant to Article V of the Declaration, the Board of Directors is obligated to set the annual assessment at an amount sufficient to meet the Common Expenses of the Association, including an amount sufficient to maintain a reserve fund. The Board of Directors is required to prepare a budget and present it to the membership. The budget established by the Board of Directors shall become effective unless disapproved. If the proposed budget is disapproved, the budget in effect for the current year shall continue until a new budget is approved.
 - c. Homeowners Association fees, assessments, and delinquent charges will be collected quarterly.
 - d. The Homeowners Association fees and assessments are a personal obligation of each homeowner.
 - e. Unpaid Homeowners Association fees and assessments bear interest at the maximum rate of interest permitted by Maryland law.
 - f. Unpaid Homeowners Association fees and assessments may be enforced by the imposition of a lien on the homeowner's lot pursuant to the terms of the Maryland Contract Lien Act.
 - g. Lot owners may also be assessed attorneys fees and court costs incurred in collecting unpaid Homeowners Association fees and assessments, although no late fee is provided for in the Declaration of Covenants, Conditions and Restrictions.
- 12. Provide a copy of the estimated proposed annual budget for the homeowners association.

The proposed budget is attached as Exhibit "D".

13. Describe any special rights or exemptions reserved by or for the benefit of the Declarant or the Vendor.

The Declarant and any successors or assigns thereof is exempted from the following provisions of the Declaration of Covenants, Conditions and Restrictions.

- 1. Section 5.03 (Assessment of the Declarant and Builders).
- 2. Section 6.01 (Architectural Change Approval).
- 3. Section 6.02 (New Construction).
- 4. Section 6.05 (Exterior Appearance).
- 5. Section 7.02 (Prohibited Uses and Nuisances) does not apply to the Declarant during the development and construction of lots or other parcels within the community.
- Section 7.06 (Exemptions). The Declarant, 6. Builders and the Homeowners Association are specifically exempted from the restrictions outlined in Article 7 of the Declaration of Covenants, Conditions and Restrictions connection with the development, marketing, construction, leasing and sale of the lots or other parcels and in relation to maintenance, repair, replacement improvement of the Common Areas or community facilities.
- 7. Section 7.07 (Declaration of Easements and Rights). The Declarant reserves numerous easements in the Common Areas, the lots and other portions of the property relating to grading, the installation of utilities and other matters. Each Owner also agrees to sign any site plans, subdivision plans or other documents necessary to permit development of the property, provided such plan is required by or approved by Prince George's County.
- 8. Article IV provides that the Declarant shall be a Class B member of the Homeowners Association and shall have three (3) votes for each lot owned. The lot owners shall be Class

A members and shall have one (1) vote for each lot owned. As a result, the lot owners will not have enough votes to control the Homeowners Association until three quarters (3/4) of the lots are sold.

- 9. Section 12.15 (Declarant's Power of Attorney).
- 10. Section 12.17 (Successors of Declarant). The Declarant may assign or transfer the rights of the Declarant, in writing, without notice to the Association.
- 11. Section 12.20 (Declarant Reserved Rights).

The above Disclosure was prepared and recorded in the Homeowners Association Depository by Thomas H. Haller, Esquire, an attorney duly admitted to practice before the Court of Appeals of Maryland.

CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC.

Bv:

Bruce Foster, President

ARTICLES OF INCORPORATION OF THE CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of Corporations and Associations, Title 2, <u>Annotated Code of Maryland</u> (1999), and any amendments thereto, the undersigned, Richard Rudy, whose post office address is 1121 Maiden Choice Lane, Baltimore, Maryland 21229, being at least eighteen (18) years of age, has this day, by execution of these Articles, voluntarily declared himself to be an incorporator for the purpose of forming a non-stock, non-profit corporation pursuant to the general laws of Maryland, and does hereby certify:

ARTICLE I Name of Corporation

The name of the Corporation is THE CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II Principal Office

The post office address of the principal office of the Association is 1121 Maiden Choice Lane, Baltimore, Maryland 21229.

ARTICLE III Resident Agent

The name of its resident agent is Richard Rudy, whose post office address is 1121 Maiden Choice Lane, Baltimore, Maryland 21229.

ARTICLE IV Powers and Purposes

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

- (a) Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the Property and recorded or to be recorded among the Land Records of Prince George's County, Maryland, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length and made a part hereof;
- (b) Fix, levy, collect and enforce payment by any lawful means of, all charges or assessments pursuant to the terms of the Declaration, and to pay all expenses in connection therewith, including all office expenses, licenses, taxes or governmental charges levied or imposed against the property of the Association and all other expenses incident to the conduct of the business of the Association;
- (c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs incurred;
- (d) Borrow money, and, in accordance with the provisions of the Declaration, mortgage, pledge, deed in trust, or hypothecate any or all of the real or personal property owned by the Association as security for money borrowed or debts incurred;
- (e) Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association. No such dedication, sale or transfer shall be effective unless accomplished in accordance with the provisions of the Declaration.
- (f) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall be accomplished in accordance with the provisions of the Declaration.
- (g) Have and exercise any and all powers, rights and privileges which a non-stock, non-profit corporation organized under the laws of the State of Maryland by law may now or hereafter have or exercise.

ARTICLE V No Capital Stock

This Association is not authorized to issue any capital stock and shall not be operated for profit. The Association does not anticipate distributing dividends, gains or profits to its members.

No member shall have any personal liability for the debts or obligations of the Association.

ARTICLE VI Membership

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

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

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

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

- (i) thirty (30) days following the date on which the total authorized and outstanding votes of the Class A members exceeds the total authorized and outstanding votes of the Class B members; or
- (ii) ten (10) years from the date of recordation of the Declaration; provided, however, that if the Declarant is delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid ten (10) year period shall be extended by a period of time equal to the length of the delays or an additional five (5) years, whichever is less; or

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

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

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

ARTICLE VII Membership

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

ARTICLE VIII Right of Enjoyment

Every Owner shall have a right and easement of enjoyment in and to the Common Area, including the private streets and parking lots and walkways included therein, which shall be appurtenant to and shall pass with the title to every Lot, for purposes of ingress and egress to and from his Lot.

ARTICLE IX Board of Directors

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

Name

Address

Bruce Foster

1121 Maiden Choice Lane Baltimore, Maryland 21229

William Hoffman

1121 Maiden Choice Lane Baltimore, Maryland 21229

Richard Rudy

1121 Maiden Choice Lane Baltimore, Maryland 21229

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

ARTICLE X Dissolution

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be consonant with this ARTICLE X), shall be mailed to every member not less than ten (10) days nor more than fifty (50) days in advance of any action to be taken. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XI Duration

This Association shall exist perpetually.

ARTICLE XII Amendments

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

ARTICLE XIII FHA/VA Approval

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

ARTICLE XIV Miscellaneous

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

IN WITNESS WHEREOF, Richard Rudy has signed, sealed and delivered these Articles of Incorporation as his own free act and deed on this 1914 day of November, 2004.

Jenese J. Bock (what Richard RUDY Hel)

WITNESS:

LAW OFFICES GIBBS AND HALLER

4640 FORBES BLVD. LANHAM, MD 20706

13011 306-0033

Jerena J. Bock Notary Public

STATE OF MARYLAND

COUNTY OF BACTIMORE) to wit:

On this 1941 day of Wovember , 2004, before me, a Notary Public in and for the above County and State, personally appeared Richard Rudy, and acknowledged that he signed the foregoing Articles of Incorporation for the purposes therein stated.

.WITNESS my hand and Notarial Seal.

My Commission Expires: 5-1-07

BYLAWS

OF

THE CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I Name and Location

The name of the corporation is THE CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1121 Maiden Choice Lane, Baltimore, Maryland 21229, but meetings of members and Directors may be held at such places within the State of Maryland as may be designated by the Board of Directors.

ARTICLE II Definitions

- Section 1. "Association" shall mean and refer to THE CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC., a non-stock, non-profit Maryland corporation, its successors and assigns.
- Section 2. "Property" shall mean and refer to that certain real property described in the "Declaration" (hereinafter defined), and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
- Section 3. "Common Area and Facilities" shall mean all real property (including improvements thereto) owned by the Association or otherwise available for the common use and enjoyment of the Owners, as defined in the Declaration.
- Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property (with the exception of the Common Area) upon which it is intended that a dwelling unit be constructed.
- Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Foster Communities of Maryland, Inc., a Maryland corporation, their successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development, but only to the extent that any of the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant are specifically assigned or transferred to such successors or assigns by an instrument in writing. Provided, however, that the transfer of any ownership interest in the Property to Washington Homes, Inc. shall include the transfer of all Declarant's rights and obligations hereunder without the need for a written assignment.

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

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

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

In the event any mortgage is insured by the Federal Housing Administration ("FHA") or guaranteed by the Veterans Administration ("VA"), then as to such mortgage the expressions "mortgagee" and "institutional mortgagee" include the FHA or the VA as the circumstances may require, acting, respectively, through the

Federal Housing Commission and the Commissioner of Veterans' Benefits or through other duly authorized agents.

ARTICLE III Meeting of Members

- Section 1. Annual Meetings. The first annual meeting of the members shall be held within twelve (12) months from the date of filing of the Articles of Incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day or the same month of each year thereafter or such other reasonably similar date as may be selected by the Board of Directors. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.
- Section 2. Special meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.
- Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days (but not more than sixty (60) days) before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.
- Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the hearing, until a quorum as aforesaid shall be present or be represented.
- Section 5. Voting. At every meeting of the members, each Class A member shall have the right to cast one (1) vote for each Class A membership which he owns on each question. Each of the

Class B members shall have the right to cast three (3) votes for each Class B membership which he owns on each question. The vote of the members representing fifty-one percent (51%) of the total of the votes of all of the memberships at the meeting, in person or by proxy, calculated as aforesaid, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of law or of the Articles of Incorporation, or of the Declaration or of these Bylaws, different vote is required, in which case such express provision The vote for any membership which is shall govern and control. owned by more than one person may be exercised by any of the coowners present at any meeting unless any objection or protest by any other owner of such membership is noted at such meeting. the event all of the co-owners of any membership who are present at any meeting of the members are unable to agree on the manner in which the votes for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any membership is owned by a corporation, then vote for any such membership shall be cast by a person designated in a certificate signed by the President or any Vice President or such corporation and attested by the Secretary or an Assistant Secretary of such corporation and filed with the Secretary of the Association, prior to or during the meeting. vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Class A member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

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

Section 7. Rights of Mortgagees. Any institutional mortgagee of any Lot who desires notice of the annual and special

meetings of the members shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice contain the name and post office address shall institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the members should be The Secretary of the Association shall maintain a addressed. roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the members to each such institutional mortgagee in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to the Any such institutional mortgagee shall be entitled to members. designate a representative to attend any annual or special meeting of the members and such representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members present Such representative shall have no voting at any such meeting. rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the members upon request made in writing to the Secretary.

ARTICLE IV Board of Directors: Selection: Term of Office

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors initially consisting of three (3) natural persons who shall be designated by the Declarant and who shall hold office until the election of their successors at the first annual meeting of the members of the Association. The names of the Directors are: Bruce Foster, William Hoffman and Richard Rudy.

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

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

Term of Office. At the first annual meeting of Section 2. the members, the members shall elect the Board of Directors and the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the second greatest number of votes shall be fixed for two (2) years and the term of office of the other Director or Directors shall be fixed for one (1) year. expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. In the alternative, the membership may, by resolution duly made and adopted at the first annual meeting of members, or at any subsequent annual meeting, resolve to fix the term for each Director elected at any such meeting at one (1) year. Directors shall hold office until their successors have been elected and hold their first regular meeting.

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

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

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

ARTICLE V Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors, commencing with the first annual meeting of members, may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nomination Committee, if any, shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee may be appointed by the Board of Directors prior to each annual meeting of the members and such appointment may be announced at each annual meeting. The Nominating Committee may make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

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

ARTICLE VI Meetings of Directors

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

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

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every

act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Rights of Mortgagees. Section 4. Any institutional mortgagee of any Lot who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the regular and special meetings of the Board of Directors The Secretary of the Association shall should be addressed. maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notice to the members of the Board of Directors. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representatives may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members of the of Directors present at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

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

ARTICLE VII Powers and Duties of the Board of Directors

<u>Section 1</u>. <u>Powers</u>. The Board of Directors shall have power to:

(a) adopt and publish rules governing the use of the Common Area and facilities, and the personal conduct of the members

and their guests thereon, and to establish penalties for the infraction thereof;

- (b) suspend the voting rights and right to use of the Common Areas and recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.
- <u>Section 2</u>. <u>Duties</u>. It shall be the duty of the Board of Directors to:
- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
 - (c) as more fully provided in the Declaration, to:
- (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
- (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
- (3) foreclose the lien against any property for which assessments are not paid within sixty (60) days after due

date or to bring an action at law against the owner personally obligated to pay the same;

- (d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
 - (g) cause the Common Area to be maintained;
- (h) otherwise perform or cause to be performed the functions and obligations of the Board and the Association as provided for in the Declaration and Articles of Incorporation and these Bylaws, including collection of assessments payable pursuant to any cross easement or other similar agreement and periodically employing an insurance consultant if the Board of Directors deems it necessary to do so in order to analyze the insurance requirements of the Association.
- Section 3. Management Agent. The Board of Directors may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon thirty (30) days' written notice thereof to the other party. The term of any such management agreement shall not exceed one year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods. If the standards and regulations of FNMA and/or FHLMC prohibit self-management by the Association, and FNMA and/or FHLMC holds an interest in a first mortgage or deed of trust against any Lots, then no such selfmanagement shall be undertaken by the Association, without the prior written consent and approval of all of the holders of the first mortgages of record on the Lots.

Provided that any Lot subject to these Bylaws is then encumbered by a deed of trust or mortgage which is insured by the

Federal Housing Administration or guaranteed by the Veterans' Administration, and, provided, further, that FHA and/or VA standards and regulations prohibit self-management of the Association, then no such self-management shall be undertaken by the Association without the prior written consent and approval of FHA and/or VA (as applicable).

ARTICLE VIII Officers and Their Duties

- Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create, all of which officers are to be elected by the Board of Directors.
- Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members; provided that the initial Board of Directors shall elect the first group of officers at its first organizational meeting.
- Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year or until his successor is duly elected and qualified, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.
- Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.
- Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- Section 6. <u>Vacancies</u>. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

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

<u>Section 8.</u> <u>Duties.</u> The duties of the officers are as follows:

President

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

<u>Vice President</u>

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

<u>Secretary</u>

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

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget

LAW OFFICES
GIBBS AND HALLER
4640 FORBES BLVD.
LANHAM, MD 20706

and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members and to deliver a copy of such material to any first mortgagee of a Lot who requests the same in writing.

ARTICLE IX Liability and Indemnification of Officers and Directors

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

ARTICLE X Committee

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

ARTICLE XI Insurance

- Section 1. <u>Insurance</u>. In addition to the insurance coverage required to be maintained by the Declaration, the Board of Directors of the Association may obtain and maintain, to the extent reasonably available, the following:
- (a) Workmen's compensation insurance for employees of the Association to the extent necessary to comply with any applicable law; and
- (b) A "Legal Expense Indemnity Endorsement", or its equivalent, affording protection for the officers and Directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or Director shall have been made a party by reason of his or her services as such; and
- (c) Such other policies of insurance, including director and officer liability insurance for other risks of a similar or dissimilar nature and fidelity coverage as required by these Bylaws, as are or shall hereafter be considered appropriate by the Board of Directors.
- Section 2. <u>Limitations</u>. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:
- (a) All policies shall be written or reinsured with a company or companies licensed to do business in the State of Maryland and holding a rating of "B/III" or better in the current edition of Best's Key Rating Guide (or its equivalent).
- (b) Exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors of the Association, or its authorized representative.
- (c) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the owners of the Lots or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Association pursuant to the requirements of this Article shall exclude such policies from consideration.
- (d) All policies shall provide that such policies may not be cancelled or substantially modified (including cancellation

for non-payment of premium) without at least thirty (30) days' prior written notice to any and all insureds named thereon, including any mortgagee of any Lot who requests such notice in writing.

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

ARTICLE XII Books and Records/Fiscal Management

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

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

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

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

Section 5. Inspection of Books. The books and accounts of the Association, vouchers accrediting the entries made thereupon and all other records maintained by the Association shall be available for examination by the members and their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any Lot and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIII Assessments

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

ARTICLE XIV Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: THE CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC., a Maryland non-stock corporation.

ARTICLE XV Amendments

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

ARTICLE XVI Interpretation/Miscellaneous

- Section 1. Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles of Incorporation of the Association. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between these Bylaws and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.
- <u>Section 2</u>. <u>Notices</u>. Unless another type of notice is herein elsewhere specifically provided for, any and all notices called for in these Bylaws shall be given in writing.
- <u>Section 3.</u> <u>Severability</u>. In the event any provision or provisions of these Bylaws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.
- Section 4. Waiver. No restriction, condition, obligation or provisions of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

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

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

IN WITNESS WHEREOF, we, being all of the Directors of THE CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this 19th day of Movember, 2004.

Witness:

Milliand & Munions

Denessa G. Bock

Donnessa G. Book

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary at THE CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC., a Maryland non-stock, non-profit corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors hereof, held on the 19 day of Wovenbir , 2004.

IN WITNESS WHEREOF, I have hereunto subscribed my name and of said Association this \mathcal{G} day affixed the seal NOVEMBER , 2004.

[CORPORATE SEAL]

CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, made on the date hereinafter set forth by Foster Communities of Maryland, Inc., a Maryland corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in the sixth (6th) Election District, Prince George's County, State of Maryland, which is more particularly described in <u>Exhibit "A"</u> attached hereto and made a part hereof. Declarant desires to create over all of the Property a residential community with Common Areas for the benefit of the community.

WHEREAS, The Declarant desires to provide for the preservation of the values and amenities in the community and for the maintenance of the Common Areas; and to this end, desires to subject the real property described on <a href="Exhibit" "A" hereof to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which are for the benefit of the Property and the subsequent Owners thereof.

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the community, to create an association to which should be delegated and assigned the powers and duties of maintaining and administering the Common Areas, administering and enforcing the covenants and restrictions and collecting and disbursing the charges and assessments created.

WHEREAS, the Declarant has caused or will cause the formation of CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC., as no negrous corporation without capital stock under the laws of the State and Maryland for the purpose of carrying out the powers, and during a described.

NOW, THEREFORE, Declarant hereby declares that all of the Property described on Exhibit "A" hereto shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of the Property described on <a href="Exhibit" "A" hereto, which shall run with the real property and be binding on all parties having any right, title or interest in the Property described on <a href="Exhibit" "A" hereto, or any part thereof, and their

heirs, personal representatives, successors and assigns, and which shall inure to the benefit of each Owner thereof.

ARTICLE I Definitions

<u>Section 1.01</u>. "Association" shall mean and refer to the Campfire Hills Homeowners Association, Inc., a non-stock, non-profit corporation, its successors and assigns.

Section 1.02. "Common Areas and Facilities" shall mean all real property owned by the Association (including any improvements thereto) or otherwise available for the common use and enjoyment of the Owners. The Common Areas and Facilities will be owned by the The land which constitutes the Common Areas to be Association. owned by the Association is described more particularly on the description attached hereto and made part hereof as Exhibit "B". The Common Areas and Facilities will ultimately include all of the real property and all facilities depicted as such on any and all project plans, preliminary plans, and/or site plans ("Regulatory Plans") reviewed and approved by the Prince George's County Planning Board of The Maryland-National Capital Park and Planning Commission ("Planning Board"). Facilities include, as may be applicable, all recreational facilities, stormwater management facilities, private roads, and other required features that are to be constructed on Common Areas and Facilities pursuant to the Regulatory Plans. Facilities are to be timely constructed in a good, workmanlike manner.

The Developer reserves the right to seek an amendment to a Regulatory Plans for the purpose of modifying the location or amount of real property comprising the Common Area and for the purpose of modifying the improvements to be constructed on the Common Area which amendment shall be reviewed by the Planning Board in accordance with applicable law. Such amendment shall become effective only if approved by the Planning Board.

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

Section 1.04. "Community-Wide Standard" shall mean the standard of conduct, or other activity generally prevailing in the Project. Such standard may be more specifically determined and set forth by the Covenant Committee (as such term is defined in Article 6.01).

<u>Section 1.05</u>. "Declarant" shall mean and refer to Foster Communities of Maryland, Inc., its successors or assigns if such successors or assigns should acquire more than one undeveloped Lot

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from the Declarant for the purpose of development, but only to the extent that any of the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant are specifically assigned or transferred to such heirs, successors, personal representatives or assigns by an instrument in writing.

Section 1.06. "Development Plan" shall mean the preliminary plan of subdivision for "Campfire Property" as approved by the Planning Board, referenced as preliminary plan number 4-02123.

Section 1.07. "Eligible Mortgage Holder" shall mean a holder of a first mortgage on a Lot who has requested notice from the Association of amendments to the Association documents or other significant matters which would affect the interests of the mortgagee.

<u>Section 1.08</u>. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property upon which it is intended that a dwelling unit be constructed.

Section 1.09. "Member" shall mean and refer to every person, group of persons, corporation, trust, or other legal entity, or combination thereof, who holds any class of membership in the Association.

Section 1.10. "Mortgagee" shall mean the holder of any recorded mortgage, or the party secured or the beneficiary of any recorded deed of trust, encumbering one or more of the Lots. term, "Mortgage," as used herein, shall include a deed of trust. The term, "First Mortgage," as used in this Declaration, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term, "institutional mortgagee" or "institutional holder," shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Federal Homes Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government, or any other organization or entity which has a security interest in any Lot. As used in this Declaration, the term "holder" or "mortgagee" shall include the parties secured by any deed of trust or any beneficiary thereof.

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

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Section 1.11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.12. "Project" as used in this Declaration means that certain community being developed by the Declarant (or affiliates, successors and assigns of the Declarant) in Prince George's County, Maryland, known as "Campfire Hills".

Section 1.13. "Property" shall mean and refer to that certain real property described on Exhibit "A" hereto, and such additions thereto as may hereafter be brought within the jurisdiction of the Association pursuant to Article II of this Declaration.

ARTICLE II Property Subject to Declaration

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

Section 2.02. Annexations. Any real property contiguous to or in the vicinity of the real property shown on the Development Plan and any real property contiguous to or in the vicinity of the real property described on Exhibit "A" hereto, may be annexed within the jurisdiction of the Association by the Declarant without the consent of the Class A Members of the Association, if any, for a period of ten (10) years from the date of recordation by the Declarant of the first Supplementary Declaration annexing all or any portion of the real property described on Exhibit "A" hereto; provided, however, that if the Declarant is delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid ten (10)-year period shall be extended by a period of time equal to the length of the delays or an additional five (5) years, whichever is less. The scheme of this Declaration shall not, however, be extended to include any such additional real property unless and until the same is annexed within the jurisdiction of the Association by the recordation of a Supplementary Declaration as hereinafter provided. Except as otherwise provided hereinabove, annexations of real property within the jurisdiction of the Association shall require the consent of two-thirds (2/3) of each class of Members.

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Any annexations made pursuant to this Article, or otherwise, shall be made by recording a Supplementary Declaration among the Land Records of Prince George's County, Maryland, which Supplementary Declaration shall extend the scheme of the within Declaration of Covenants, Conditions and Restrictions to such annexed property. Any Supplementary Declaration made pursuant to the provisions of this Article may contain such complementary or supplemental additions and modifications to the covenants and restrictions set forth in the within Declaration as may be considered necessary by the maker of such Supplementary Declaration to reflect the different character or use, if any, of the annexed property. Every owner of a Lot in property to be annexed as provided herein shall have an easement of enjoyment in and to the Common Areas and Facilities, and such other rights of use as provided in Article 3 herein.

Section 2.03. Unrestricted Property. Any Lot(s) or Parcel or portion thereof shall, at such time as title vests in any government entity or quasi-government entity, become unencumbered by this Declaration with no further act required unless such government entity or quasi-government entity records a "Consent to be Included in Campfire Hills Declaration" among the Land Records of Prince George's County, Maryland.

ARTICLE III Property Rights

Section 3.01. Owners Easements of Enjoyment. Every Owner shall have a right and easement in and to the Common Areas and Facilities, both before and after they are conveyed to the Association including an easement for the use and enjoyment of the egress to such Owner's Lot, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable and uniform admission and other fees for the use of any recreational facility situated upon the Common Areas and Facilities;
- (b) the right of the Association to suspend the voting rights and right to use of any recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Areas and Facilities or to grant easements or rights-of-way over portions of the Common Areas and Facilities to any public agency, authority, or utility to serve necessary public purposes. Such dedication or transfer shall also

be subject to the limitations provided in Sections 12.01, 12.10 and 12.11 of this Declaration.

- (d) the right of the Association to limit the number of guests of Owners.
- (e) the right of the Association to establish uniform rules and regulations pertaining to the use of the Common Areas and Facilities and the facilities thereon.
- (f) the right of the Association to provide for the exclusive use by the Owners of certain designated parking spaces within the Common Areas and Facilities.
- (g) the right of the Association, the Declarant, utility companies and other owners with respect to the easements established in Section 7.07 hereof.
- (h) the right of the Association, in accordance with its Articles of Incorporation and Bylaws, and with the consent of a majority of each class of the then members of the Association, voting separately, to borrow money for the purpose of improving the Common Areas and Facilities in a manner designed to promote the enjoyment and welfare of the members and in aid thereof to mortgage any of the Common Areas and Facilities.
- (i) the right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosures; provided, however, that the same are in conformity with the other provisions of this Declaration.
- (j) the right of the Association, acting by and through its Board of Directors, to grant easements, licenses or other rights of use to persons or entities who are not members of the Association in connection with the recreational facilities installed as part of the Common Areas and Facilities for such consideration and on such forms and conditions as the Board of Directors may from time to time consider appropriate.

Section 3.02. Limitations.

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

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

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

ARTICLE IV Membership and Voting Rights

- <u>Section 4.01</u>. <u>Membership</u>. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.
- Section 4.02. Voting Rights. The Association shall have two (2) classes of voting membership.
- Class A. With the exception of the Declarant, every person, corporation, partnership, trust or other legal entity, or any combination thereof, who is an Owner of any Lot which is part of the premises described in Article II of this Declaration, or which otherwise becomes subject to the covenants set forth in this Declaration, to assessments by the Association, shall be a Class A member of the Association; provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity who holds such interest solely as security for the performance of an obligation shall not be a Class A member solely on account of such interest. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

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

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

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

- (i) thirty (30) days following the date on which the total authorized and outstanding votes of the Class A members exceeds the total authorized and outstanding votes of the Class B members; or
- (ii) ten (10) years from the date of recordation of this Declaration; provided, however, that if the Declarant is delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid ten (10) year period shall be extended by a period of time equal to the length of the delays or an additional five (5) years, whichever is less; or
- (iii) upon the surrender of said Class B memberships by the then holders thereof for cancellation on the books of the Association.

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

ARTICLE V <u>Covenant for Maintenance Assessments</u>

Section 5.01. Creation of the Lien and Personal Obligation of Assessments. There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors to be commenced at the time and in the manner set forth in Article V. The Declarant, for each Lot owned within the Property, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (1) annual

assessments or charges or any and all expenses owed by the Declarant during the Deficit Period (as such term is defined in Section 5.03 below) and (2) special assessments for capital improvements. The annual and special assessments or Deficit Period fees, as the case may be, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the Lot (including all improvements thereon), and shall be a continuing lien upon the property against which each such assessment is made, provided the requirements of the Maryland Contract Lien Act have been fulfilled. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his or her successors in title unless expressly assumed by such successors.

Section 5.02. Purpose of Assessments.

- (a) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property and for the improvement and maintenance of the Common Areas and Facilities, the payment of real estate taxes, assessments and utility services for the Common Areas and Facilities, and management fees, administration expenses, insurance and all other costs and expenses incurred by the Association in proper conduct of its activities, including, without limitation, reserves for replacements or contingencies, charges accruing under any cross-easement or reciprocal easement agreements. The Common Areas and Facilities will be available for the type of active and/or passive recreational and open space uses contemplated in the approved Development Plan. Expenses for utility service may include lease payments for utility fixtures provided by the utility company in addition to the cost of the actual utility service. The assessments shall also be used to pay for any and all other maintenance responsibilities of the Association including, but not limited to the maintenance of any entrance features or signage appurtenant to or serving or benefitting the Community, retaining or separation walls, parking lots, recreational facilities located on the Common Areas and Facilities and any other properties or facilities the Association may determine to maintain pursuant to this Declaration.
- (b) Notwithstanding anything contained in this Declaration, the Bylaws or the Articles of Incorporation to the contrary, the Association shall be responsible for maintaining any and all storm water management facilities, including, without limitation, ponds, basins, oil/grit separator apparatus or equipment and drainage areas, whether such facilities are located within the Property or not, which are designed to benefit or serve any portion of the Property and are required to be maintained by the Association.

Section 5.03. Annual Assessment; Budgets. Until January 1 of the year immediately following the conveyance of a Lot to a Class A Member, the maximum annual assessment shall be <u>Two Hundred Ninety</u> Five Dollars (\$295.00). Thereafter, the Board of Directors shall, from time to time, set the annual assessment at an amount sufficient to meet the Common Expenses of the Association. Board of Directors shall determine the amount of the Annual Assessment before the beginning of each fiscal year in connection with preparation of the Association's annual budget, and may do so at more frequent intervals should it be determined necessary. Any lots owned by the Declarant which are reasonably anticipated to be occupied within twelve (12) months of the date of each annual assessment shall be subject to an assessment equal to twenty five percent (25%) of the assessment applicable to lots not owned by the Declarant. Notwithstanding the foregoing, the Declarant shall pay the full annual and special assessments for Lots owned by Declarant upon which a dwelling unit has been completed and is occupied by a party other than the Declarant. Notwithstanding any provision contained in this Declaration to the contrary, Declarant hereby covenants and agrees for the benefit of each Class A member to pay any and all expenses incurred by the Association during the Deficit Period (as such term is hereinafter defined) in furtherance of its purposes to the extent that the annual and special assessments levied during the Deficit Period are insufficient to pay such expenses; provided, however, that at such time as the Declarant has paid what would equal one hundred percent (100%) of the assessments for its Lots, had it not been entitled to a reduced assessment, then the Declarant shall only be obligated to pay any further assessments during that annual period in an amount equal to what would be due for such Lots had they been owned by a Class A member. As used herein, the term "Deficit Period" shall mean that period of time commencing on the date of recordation of this Declaration and ending on the earlier of: (i) the date on which the Class B membership lapses and becomes a nullity in accordance with the provisions of this Declaration; or (ii) the date upon which the Declarant, in writing and recorded among the Land Records of Prince George's County, Maryland, declares that it (from the date specified in such recorded writing) waives its right to not pay any assessments on Lots owned by the Declarant in accordance with this Section 5.03. The Declarant may make such Declaration with respect to less than all of the Lots owned, to be owned or to be brought within the jurisdiction of the Association in which event the deficit period shall terminate only with respect to those Lots specifically described.

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The Board of Directors shall make a reasonable effort, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the membership, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget may include an amount sufficient to establish and maintain a reserve fund in accordance with a reserve fund budget separately prepared by the Board of Directors pursuant to Section

5.10. The Board of Directors shall cause a copy of the budget, and the amount of the assessments to be levied against each Lot for the following year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget date and the assessments shall become effective unless disapproved at the meeting by a vote of at least a majority of both classes of the total Association membership.

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

The Declarant may establish a working capital fund for initial and ongoing operation of the Association. Such working capital fund may be funded by a one-time assessment of One Hundred Fifty Dollars (\$150.00) and shall be payable, if established, by the Declarant's grantee upon the earlier of settlement or occupancy of a completed dwelling located on any Lot.

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

Section 5.05. Notice and Quorum for any Action Authorized Under Section 5.04. Written notice of any meeting called for the purpose of establishing a special assessment in accordance with Section 5.04 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5.06. Uniform Rate of Assessment. The Board of Directors shall establish uniform rates of assessments for each Lot situated within the Property. Such rates shall be based on actual costs incurred by the Association relating to the operation and maintenance of Property. It is the intention of this Declaration that all residents of the community shall share equally in the maintenance of the Common Areas and Facilities and in other Association Expenses.

Section 5.07. Date of Commencement of Annual Assessments: Due Dates. Every Owner shall be deemed to covenant and agree to pay to the Declarant or the Association, as applicable, the Assessments as provided in this Declaration. The obligation of all Owners, other than the Declarant, to pay such sums shall commence upon the acceptance of a deed or other conveyance of a Lot whether or not it shall be so expressed in any such deed or conveyance. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer for the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association with the status of assessments on the Lots shall be binding on the Association as of the date of its issuance.

Effect of Non-Payment of Assessments: Remedies Section 5.08. of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid at a rate equal to the maximum rate of interest permitted under the laws of the State of Maryland (or such lesser sum as VA and/or FHA may specify if any Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is guaranteed by the VA or insured by the FHA). Additionally, the entire balance of the unpaid annual assessments for the remainder of the fiscal year shall also become due, payable and collectible in the same manner as the delinquent portion of such annual assessment. Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot (and all improvements thereon) provided the provisions of the Maryland Contract Lien Act are substantially fulfilled. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas and Facilities or abandonment of his Lot. The Owner shall also be obligated to pay all attorneys' fees and court costs incurred in connection with the collection of assessments if not paid when due.

Section 5.09. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale

or transfer of any lot pursuant to mortgage or deed of trust foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. No amendment to this Section shall affect the rights of the holder of any first mortgage on any Lot (or the indebtedness secured thereby); recorded prior to recordation of such amendment unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

Section 5.10. Reserve Fund Budget and Contribution. Board of Directors shall annually prepare a reserve fund budget which shall take into account the number and nature of the replaceable assets of the Association, the expected life of each asset, and the expected repair or replacement cost of each asset. In the reserve fund budget established for each fiscal year, the Board of Directors shall set the required reserve fund contribution in an amount sufficient to meet the projected reserve needs of the Association, as shown on the reserve fund budget, with respect both to amount and timing by the imposition of annual assessments over the period of the budget. The reserve fund contribution, if any, shall be fixed by the Board of Directors and included within the budget and assessment, as provided in Section 5.03. Such reserve fund contribution shall be payable as part of the general assessment, applicable to all Lots. A copy of the reserve fund budget shall be distributed to each Owner in the same manner as the operating budget.

ARTICLE VI Architectural Control

Section 6.01. Architectural Change Approval. No building, fence, wall, mailbox or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made (including, but not limited to, changes in color, changes or additions to driveway or walkway surfaces, and landscaping modifications) until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography and conformity with the design concept for the Property by the Board of Directors of the Association, or by a covenant committee composed of three (3) or more representatives appointed by the Board of Directors of the Association ("Covenant Committee"). In the event said Board, or its designated committee, fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Design approval by the Covenant Committee or by the

Board shall in no way be construed as to pass judgment on the correctness of the location, structural design, suitability of water flow or drainage, location of utilities, or other qualities of the item being reviewed. The Board or the Covenant Committee shall have the right to charge a reasonable fee for reviewing each application in an amount not to exceed Fifty Dollars (\$50.00). Any exterior addition to or change or alteration made without application having first been made and approval obtained as provided above shall be deemed to be in violation of this covenant and the addition, change or alteration may be required to be restored to the original condition at the Owner's cost and expense. In any event, no such exterior addition to or change or alteration shall be made without approvals and permits therefor having first been obtained by the Owner from the applicable public authorities or agencies. Notwithstanding any provision of this Declaration to the contrary, the provisions of this Article VI shall not be applicable to the Declarant or any part of the Property owned by the Declarant.

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

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

provisions and requirements of this Declaration as may be applicable.

Section 6.04. Covenant Committee Rules and Regulations; Appeal of Covenant Committee Decision. The Covenant Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and/or establish such criteria relative to architectural styles or details, or other matters, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration. The decisions of the Covenant Committee shall be final except that any member who is aggrieved by any action or forbearance from action by the Covenant Committee may appeal the decision of the Covenant Committee to the Board of Directors and, upon the request of such member, shall be entitled to a hearing before the Board of Directors. Two thirds (2/3) of the Board of Directors shall be required to reverse the decision of the Covenant Committee.

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

- (a) storm windows installed by any Owner or resident, provided such installation is approved by the Covenant Committee or the Board of Directors, shall be painted the same color as the window trim.
- (b) the installation of any storm door(s) must receive prior approval of the Board of Directors or the Covenant Committee, including, but not limited to, the style, color and material of said storm door(s). Storm doors in the front of each house must be full view clear glass, and must be painted to match the front door or the trim around the front door, or be white. Storm doors in the rear of each house must be of traditional design, must be either full or three quarters view clear glass, and must be painted to match the door or the trim around the door or be white.
- (c) the color of the exterior of all structures or dwellings, including, without limitation, garage doors, all sidings, gutters, downspouts, brick and trim, shall not be changed or altered, provided, however, that the color of the exterior of the front door and shutters may be changed if prior written approval of the Covenant Committee or the Board of Directors is obtained.

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

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

ARTICLE VII Use Restrictions

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

Section 7.01. Permitted Uses.

The Lots shall be used for residential purposes exclusively, and no building shall be erected, altered, placed or permitted to remain on any such Lot other than one used as a dwelling, except as permitted herein. The use of a dwelling unit as a "no-impact home based business" as defined in \$11B-111.1 of the Maryland Homeowners Association Act, shall be permitted, provided that: (i) before any dwelling unit may be used as a no-impact home based business the Owner and/or resident of such dwelling unit shall notify the Association, in writing, at least thirty (30) days prior to the opening of the no-impact home based business; and (ii) in no event shall the Common Areas and Facilities be used in connection with any permitted no-impact home based business. contained in this Article or elsewhere in this Declaration shall be construed to prohibit the Declarant from the use of any Lot or dwelling, or improvements thereon, for promotional or display purposes, or as "model homes", a sales and/or construction office, or the like.

The use of any dwelling as a "Family Day Care Home" is permitted, provided that it meets all of the necessary approvals under the law, and provided that: (i) before any dwelling unit may be used as a Family Day Care Home, the Owner and/or resident of such dwelling unit shall notify the Association, in writing, at least thirty (30) days prior to the opening of the Family Day Care Home; and further, provided that the Board of Directors, or its designee, is provided at least annually with evidence to its satisfaction that any such dwelling continues to be in compliance with all of the necessary approvals under the law, including, without limitation, any local ordinances. Provided, however, the use of any such dwelling as a Family Day Care Home shall not include more than four (4) children under the age of thirteen (13) years including the children of the Day Care Provider. Notwithstanding the above, the Board of Directors may order that

any such Family Day Care Home cease its operations or otherwise modify its operations, including reducing the number of children, on the grounds that the activity is creating a nuisance. The Board of Directors shall include in any such order a reasonable time in which to comply, as determined by the Board of Directors. In situations where, in the judgment of the Board of Directors, there does not appear the immediate threat of injury to persons or property, the Board of Directors shall provide Notice to the Members of any the opportunity to speak at a hearing convened to consider what action should be taken with regard to the Family Day Care Home under consideration.

Allowing a Family Day Care Home or a no-impact home based business in the Project does not constitute an endorsement or recommendation of any such business on the part of the Association.

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

- (a) No noxious or offensive trade or activity shall be carried on upon any Lot or within any dwelling or any other part of the Property, nor shall anything be done therein or thereon which may be or become an annoyance or nuisance to the neighborhood or other members. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any dwelling or upon the exterior of any other improvements constructed upon any Lot.
- (b) The maintenance, keeping, boarding or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited on any Lot or within any dwelling, or other part of the Property, except that this shall not prohibit the keeping of dogs, cats, caged birds or other small domestic pets provided: (i) they are not kept, bred or maintained for commercial purposes; (ii) such domestic pets are not a source of annoyance or nuisance to the neighborhood or other members; (iii) no more than three (3) such domestic pets may be maintained upon a Lot or the dwelling erected thereon; and (iv) such pets are maintained in strict conformance to all laws and ordinances. The Board of Directors or, upon resolution of the Board of Directors, the Covenant Committee, shall have the authority, after a hearing, to determine whether a particular pet is a nuisance or a source of annoyance to other members, and such determination shall be conclusive. Pets shall be attended at all times and shall be

registered, licensed and inoculated as may from time to time be required by law. Pets shall not be permitted upon the Common Areas and Facilities unless accompanied by a responsible person and unless they are carried or leased. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets as it may from time to time consider necessary or appropriate.

- (c) No burning of any trash and no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials, or trash of any other kind shall be permitted on any Lot or other part of the Property.
- Except for parking within garages, and except as herein elsewhere provided, no junk vehicles, commercial vehicle (including vans used for commercial use), truck (over ½ ton capacity) (as defined by the Maryland Department of Motor Vehicles and/or by common usage and practice), unlicensed or inoperable motor vehicle (which shall include, without limitation, any vehicle which would not pass applicable state inspection criteria), trailer, camp truck, house trailer, boat or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling and except for such equipment and machinery as the Association may require in connection with the maintenance and operation of the Common Areas and Facilities) shall be kept upon the Property nor (except for shall the repair or extraordinary <u>bona</u> <u>fide</u> emergencies) maintenance of automobiles or other vehicles be carried out thereon. The Association may, in the discretion of the Board of Directors, provide and maintain a suitable area designated for the parking of such vehicles or the like.
- (e) Trash and garbage containers shall not be permitted to remain in public view except on the evenings prior to and the days of trash collection. No incinerator shall be kept or maintained upon any Lot.
- (f) No Lot shall be divided or subdivided and no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose. The provisions of this subsection shall not apply to the Declarant and, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, the Declarant or any other person for any purpose.
- (g) No tree, hedge or other landscape feature shall be planted or maintained in a location which obstructs sight-lines for vehicular traffic on public streets or on private streets and roadways. Without limiting the generality of the foregoing, no wire or other lawn edging, fencing or other treatment shall be

placed or maintained on any Lot which would impede the Association's ability to perform its obligations as set forth in Section 5.02 hereof, or which would be inharmonious with the aesthetics of the community of which it is a part. For the purposes of the immediately preceding sentence, wire lawn edging shall be deemed inharmonious.

- (h) The display of a candidate sign or a sign that advertises the support or defeat of any question submitted to the voters, as such terms are defined and set forth in Section 11B-111.2 of the Real Property Article of the Annotated Code of Maryland, is restricted:
 - (1) In the Common Areas and Facilities;
- (2) In accordance with provisions of Federal, State and local law; and
- (3) Unless otherwise specified by the laws of Prince George's County or other applicable law, for a time period which is in excess of (a) thirty (30) days before the primary election, general election, or vote on the proposition; and (b) seven (7) days after the primary election, general election or vote on the proposition.

Except as set forth above, and except as the provisions hereof may be prohibited by law, no sign or other advertising device of any nature shall be placed upon any Lot except as provided herein. The Covenant Committee may, in its discretion, adopt and promulgate rules and regulations relating to signs which may be employed. Declarant shall have the right to erect and use signs during the course of development of the Project.

- (i) No water pipe, sewer pipe, gas pipe, drainage pipe, television cable or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground and no wire, cable, satellite dish or other similar transmission line may be attached to the exterior of any structure on any Lot or above the surface of the ground. Except during periods of actual use, no hose shall be stored or placed in the front or side yard of any dwelling unless screened from public view.
- (j) No structure, planting or other material shall be placed or permitted to remain upon any lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction or flow of any drainage channels.
- (k) Vegetable gardens shall be maintained only within the rear yard of any Lot, and shall be maintained in a neat and attractive manner.

- (1) Lawn furniture shall be used and maintained in rear yards or on decks or patios only.
- (m) No equipment or machinery (including, without limitation, equipment or machinery for use in connection with the maintenance of any dwelling) shall be stored in the front, rear or side yard on any Lot.
- (n) No garbage or trash containers shall be kept on the front or side yard of any Lot and garbage and trash containers kept or maintained in the rear yards of any Lots or under or upon decks shall be screened from public view at all times.
- (o) No Member shall make any private or exclusive or proprietary use of any of the Common Areas and Facilities except with the specific approval of the Covenant Committee and then only on a temporary basis, and no Member shall engage or direct any employee of the Association on any private business of the Member during the hours such employee is employed by the Association, nor shall any Member direct, supervise or in any manner attempt to assert control over any employee of the Association.
- (p) Bed sheets, plastic sheets, newspapers, plastic storm windows or other similar window treatments shall not be hung or placed in or on any window on any dwelling located on any Lot.
- (q) No exterior lighting, emanating from a Lot, shall be directed outside the boundaries of the Lot, without the prior written approval of the Covenant Committee.
- (r) No outbuilding properly erected on a Lot shall at any time be used for human habitation, temporarily or permanently, nor shall any structure of a temporary character be used for human inhabitation.
- (s) If fences are constructed as part of the original construction by the Declarant, then any fences to be constructed upon the Property after original construction shall be: (i) substantially similar in design, dimension and material to the ones constructed as part of the original construction; and (ii) constructed in compliance with the other terms and conditions of this Declaration and with applicable law. The location of fences on end units shall be considered on a case-by-case basis. The erection of all fences shall be subject to the prior written approval of the Covenant Committee. If applicable, each Owner shall be responsible for providing reasonable access to utility companies for the purpose of reading meters located on a Lot.
- (t) Except as specifically permitted by applicable Federal governmental regulations, no exterior aerials or antennas of any type, including, but not limited to, satellite dishes for reception or transmission, may be erected or maintained within the

Property without the prior written approval of the Board of Directors or the Covenant Committee; provided, however, that satellite dishes not in excess of one (1) meter in diameter are permitted. The Board of Directors or the Covenant Committee may impose reasonable rules and regulations or requirements regarding the location and screening of any such satellite dish, subject to applicable Federal governmental regulations. Aerials and antennas situated entirely within a dwelling unit, and not visible from the exterior, are permitted.

(u) Notwithstanding anything to the contrary contained in this Declaration, no garage located within the Property, if any, may be altered, modified or changed in any manner which would inhibit or in any way limit its function as a parking area for vehicles without the approval of the Board of Directors or the Covenant Committee pursuant to the provisions of Article VI of this Declaration.

Section 7.03. Leasing

- (a) No portion of a dwelling unit, other than an entire dwelling unit, may be leased or rented.
- (b) All leases shall be on forms approved by the Association and shall contain the following provisions:
- (i) Each tenant shall be obligated to comply with all provisions of this Declaration, the Bylaws, and the rules and regulations of the Association, including but not limited to limitations on parking which may be adopted by the Association pursuant to Section 7.04 and "house rules" as defined in Section 7.05.
- (ii) The Association shall have the right to terminate the lease upon default by tenant in observing the provisions of this Declaration, the Bylaws or the rules and regulations of the Association, or of any other document, agreement or instrument governing the dwelling units and/or the Property. In the event the Association exercises its right to terminate a lease, it shall notify the Owner(s) of a leased lot and the tenant in writing. The Owner(s) of a leased lot shall provide the Association with his/her current address in writing. The Owner(s) of the leased or rented dwelling unit shall be jointly and severally liable with the tenant(s) to the Association to pay for any claim for injury or damage to persons or property caused by any action or omission, including without limitation, the negligence of the tenant(s).
- (c) Every lease shall be subordinate to any lien filed by the Association, whether before or after such lease was entered into.

- (d) The maximum term any dwelling unit may be rented or leased shall be six (6) months. Extensions of the lease or execution of a new lease to the same tenant(s) must be approved by the Association. Approval of any such extension may be withheld for any failure of the tenant(s) to comply with any provision of this Declaration, the Bylaws, or the rules and regulations of the Association, or of any other document, agreement or instrument governing the dwelling units and/or the Property. Failure of the Association to terminate a lease for noncompliance shall not preclude disapproval of a lease extension for noncompliance during the lease term. Requests for extension shall be submitted to the Board of Directors prior to the commencement of any extension period. Failure of the Board of Directors to respond to the request within thirty (30) days shall constitute approval of the extension.
- (e) If the Association successfully brings an action to enforce the provisions of this Section 7.03, the costs of such action, including legal fees, shall become a binding personal obligation of the Owner(s), and such costs shall also be a lien upon the Lot of such Owner, provided that the requirements of the Maryland Contract Lien Act are substantially fulfilled.

Section 7.04. Reserved.

- Section 7.05. House Rules, Etc. There will be no violation of any reasonable rules for the use of the Common Areas and Facilities or "house rules" or other community rules and regulations not inconsistent with the provisions of this Declaration which may from time to time be adopted by the Board of Directors of the Association and promulgated among the membership by them in writing, and the Board of Directors is hereby and elsewhere in this Declaration authorized to adopt such rules.
- <u>Section 7.06.</u> <u>Exemptions.</u> None of the foregoing restrictions shall be applicable in the activities of:
- (a) Declarant, its officers, employees, agents or assigns, in their development, marketing, construction, leasing and sale of Lots or other parcels within the Property; or
- (b) To the Association, its officers, employees and agents, in connection with the property maintenance, repair, replacement and improvement of the Common Areas and Facilities.
- <u>Section 7.07.</u> <u>Declaration of Easements and Rights.</u> The following easements and rights are hereby declared or reserved to the Declarant:
 - (a) An easement over any road or proposed road in the Common Areas and Facilities for the purpose of ingress and egress, grading and road construction,

and the installation and maintenance of public and private utilities to serve all or part of the Property, including any Lot or any part of the Common Areas and Facilities.

- (b) An easement to store building supplies, construction equipment, portable toilets, construction trailers and/or sales trailers and similar items on any Lot it owns or on the Common Areas and Facilities reasonably screened.
- (c) An easement to enter upon any Lot to grade a portion of the Lot adjacent to any street if the grading does not materially interfere with the use or occupancy of a residence built or to be built on such Lot; however, Declarant shall be under no obligation to perform such grading or to maintain any slope.
- An easement on, over and under the Common Areas and (d) Facilities 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, public or private services necessary and other or advisable to provide services to any Lot, or in the area or on the area in which the Lot is located, together with the right and privilege of entering upon the Common Areas and Facilities for such purposes and making openings and excavations within a reasonable period.
- any Development Plan right to amend (e) subdivision plat relating to the Property in such manner as Declarant deems advisable, including rights-of-way relocation of the easements or granted, if any such amendment is acceptable to or required by public authorities, including without limitation Prince George's County, having the right to approve the site plan or subdivision plat, and to make any dedications or grant any easements or rights-of-way necessary or desirable in connection with an amendment of the site plans or subdivision however, no amendment shall alter plat; boundaries of any Lot without the prior written consent of the Owner of that Lot, nor shall any amendment deprive any Lot of necessary, ordinary and reasonable vehicular and pedestrian ingress and

egress from the Lot to a public street or of storm water drainage, electrical energy, water, sanitary sewer, natural gas, telephone service or similar utilities and services to the Lot.

(f) Each Owner, by accepting title to his Lot, agrees to sign all site plans, amendments to site plans, subdivision plats, resubdivision plats, or record plats that Declarant may request in furtherance of Declarant's intention to develop the Property, if the amendment is acceptable to or required by public authorities, including without limitation, Prince George's County. To confirm more fully Declarant's rights and powers reserved, and to secure each Owner's obligation under the first sentence of this subparagraph, each Owner, himself and his heirs, personal representatives, successors and assigns, including the Mortgagee of any Mortgage, hereby appoints Declarant as Owner's true and lawful attorney in fact to execute such subsequent site plans, amendments to site plans, subdivision plats or resubdivision plats in the Owner's place and stead.

Such power is coupled with an interest and is given to secure each Owner's obligation to Declarant, and therefore, is irrevocable. The Association, by accepting title to the Common Areas and Facilities, as the same may be increased or decreased in accordance with this Declaration, hereby agrees to sign all deeds, other conveyances, sites plans, amendments to site plans, subdivision plats or resubdivision plats that Declarant may request in furtherance of Declarant's intentions concerning the development of the Property, if the above is acceptable to or required by public authorities, including without limitation, Prince George's County.

Each Owner's obligation, the Association's obligation and the Declarant's power of attorney, under this subparagraph is subject to limitations that no subdivision or resubdivision plat shall alter the boundaries of any Lot without the prior written consent of the Owner of that Lot, nor shall any subdivision or resubdivision deprive any Lot of necessary, ordinary and reasonable vehicular and pedestrian ingress and egress (either directly or via easements) from the Lot to a public street or of storm water drainage, electric, water, sanitary sewer, natural gas, telephone service or similar utilities or sewer to the Lot.

(g) For a period of ten (10) years from the recordation of this Declaration, Declarant reserves the right to grant easements, both temporary and permanent, to all public authorities and utility companies over any part of the Common Areas and Facilities or any Lot within the Property.

Right to Make Improvements Without Expanding Section 7.09. Its Implied Warranty. The Declarant reserves the right, but not the obligation, to take such steps to install, erect, replace or maintain the land and improvements located or to be located on the Common Areas and Facilities as will enhance the attractiveness of the Property. Declarant reserves such right so that the Declarant is not required to obtain the consent of the Association. extent that the Declarant makes any such improvements to the Common Areas and Facilities, the Declarant is subject to the implied warranties made to the Association as provided under Title 11B of the Maryland Homeowners Association Act, and accordingly, the Declarant makes an implied warranty to the Association that as to the improvements constructed on the Common Areas and Facilities by the Declarant, it agents, servants, employees, contractors or (i) free from faulty materials; (ii) subcontractors, are: constructed in accordance with sound engineering standards; (iii) constructed in workmanlike manner. With regard to such improvements, the Declarant does not make any other warranties, whether express or implied.

ARTICLE VIII Maintenance

Section 8.01. Owners' Rights and Responsibilities. Except as otherwise specifically provided in this Declaration, each Owner shall keep each Lot owned by him, and all improvements therein or thereon, in good order and repair and free of debris in a manner and with such frequency as is consistent with good property management and the Community-Wide Standard. In the event an Owner of any Lot in the Property shall fail to maintain the Lot and the improvements situated thereon, the Board of Directors or its agent shall have the right to enter upon said Lot to correct drainage and to repair, maintain and restore the Lot and the exterior of the building and any and all improvements erected thereon. Whenever entry is not required in an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry. All costs related to such correction, repair or restoration shall be collectible from the Owner of such Lot in the same manner as assessments as provided in Article V herein. Notwithstanding any provision in this Declaration to the contrary, no Owner shall be precluded from granting easements or rights-of-way over or convey portions of his/her lot to any public agency or public utility to serve necessary public purposes.

Section 8.02. Association Rights and Responsibilities. Association shall maintain and keep in good order the Common Areas and Facilities, and shall expend such funds as necessary (including the payment of property taxes) to assume maintenance in accordance with this Declaration. In addition, the Association shall maintain and keep in good repair rights-of-way and entry strips, whether owned as part of a Lot or dedicated for public use, so long as the rights-of-way or entry strips are within or appurtenant or serve or benefit the Project. This obligation shall include, but not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and all flora, structures and improvements situated upon such areas. Association shall also maintain any entrance features and signage situated within the Property, or which serves or is appurtenant to the Community. Such maintenance shall include, but not be limited to, the repair and replacement of such entrance features and signage as determined by the Board of Directors of the Association. The Association shall also be responsible for the maintenance of any retaining or separation walls or fences located in the Common Areas and Facilities and shall have a perpetual easement over, across and through the Property to perform such maintenance. Association shall also monitor compliance with the requirements of any conservation easements and other restrictions imposed on the Lots and/or the Common Areas and Facilities by The Maryland-National Capital Park and Planning Commission in its approval of the Development Plan and periodically notify the Owners of these restrictions.

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

The Association shall also have the right to enter any Lot, including the dwelling unit located on such Lot, without the consent of the Owner and/or occupant thereof, to conduct any emergency repairs as are necessary for the maintenance and protection of the Common Areas and Facilities and the lawn and garden areas. The costs of such repairs shall be collectible from the Owner of such Lot in the same manner as assessments as provided in Article V herein.

ARTICLE IX <u>Insurance</u>

Individual Coverage. By virtue of taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association that each individual Owner shall carry blanket all risk casualty insurance on the dwelling and all structures located upon the Lot, at a minimum, such coverage shall provide coverage against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard. The Board of Directors of the Association, or its duly authorized agent, shall have the authority to obtain insurance for all or any of the dwellings located on the Property, unless the Owners thereof have supplied proof of adequate coverage to the Board of Directors' satisfaction. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction to the dwelling and other structures constructed on the Lot, the Owner shall proceed promptly to repair or to reconstruct the dwelling and other damaged structures in a manner consistent with the original construction. The Board of Directors may impose more stringent standards for rebuilding regarding the requirements reconstructing structures on the Lot and the standard for returning the Lot to its natural state in the event the Owner decides not to rebuild or reconstruct.

Section 9.02. Required Coverage. The Board of Directors of the Association, or its duly authorized agent, shall be required to obtain, maintain and pay the premiums, as a common expense, upon a policy of property insurance covering all the Common Areas and Facilities (except land, foundation, excavation and other items normally excluded from coverage) including fixtures and building service equipment, to the extent that they are a part of the Common Areas and Facilities of the Association, as well as common personal property and supplies.

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

Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by Best's Key Rating Guide of B/III or better (or its equivalent). Each insurer must be

specifically licensed or authorized by law to transact business within the State of Maryland. The policy contract shall provide that no assessment may be made against the mortgagees, and that any assessment made against others may not become a lien on the mortgaged premises superior to the first mortgage. Additionally, if applicable, the Association shall obtain a steam boiler and machinery coverage endorsement which provides that the insurer's minimum liability per accident at least equals the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the building(s) housing the boiler or machinery. Finally, the deductible on any hazard policy should be Ten Thousand Dollars (\$10,000.00) or one percent (1%) of the face value of the policy, unless the State of Maryland permits a higher amount.

All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly acceded by private institutions as mortgage investors in the area in which the mortgaged premises are located. The mortgagee clause must provide that all property insurance policies must provide an Agreed Amount and Inflation Guard Endorsement, if available, and a Construction Code Endorsement if the Common Areas and Facilities in the Association are subject to a construction code provision which would become operative and require changes to undamaged portions of the building(s), thereby imposing significant costs in the event of partial destruction of the project by an insured peril.

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

The Association shall maintain comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, public ways of the project, and other areas that are under its supervision (including, but not limited to, commercial spaces, if any, owned by the Association, whether or not they are leased to third parties). Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location and use. However, such coverage shall be for at least One Million Dollars (\$1,000,000.00)

for bodily injury and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation and maintenance or use of the Common Areas and Facilities, and legal liability arising out of lawsuits related to employment contracts in which the Association is a party. Such insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. Such policies must provide that they may not be canceled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association.

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

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

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

Immediately after a casualty causing damage to the Common Areas and Facilities for which the Association has the responsibility of maintenance, repair, and/or replacement, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged portions of the Common Areas and Facilities in as good a condition as existed before the casualty. such costs may include professional fees and premiums for such bonds as the Board of Directors desire.

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

- (a) the reconstruction or repair shall be in the charge of an architect or engineer, who may be an employee of the Association, and hereinafter called the "Architect";
- (b) any restoration or repair of the project shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned), and two thirds (2/3) of the owners (other than the Declarant);
- (c) each request for an advance of the proceeds of insurance shall be made to the Insurance Trustee and shall be accompanied by a certificate from the Architect and Board of Directors to the effect that (i) all work then completed has been performed in accordance with the plans and specifications; and (ii) the amount requested to be advanced is required to reimburse the Board of Directors for payments previously made by the Board of Directors or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, architects or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the like necessarily incurred in connection with the same; and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not

unreasonably exceed the value of the work done and materials delivered to the date of such request;

- (d) each request for an advance of the proceeds of insurance shall be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment or reimbursement is being requested, together with appropriate evidence from a title insurance company or the like to the effect that there has not been filed with respect to the Common Areas and Facilities, or any part thereof, any mechanics' or other lien, or notice of intention to file the same, which has not been dismissed, bonded or satisfied of record;
- (e) the fees and expenses of the Insurance Trustee, as agreed upon by the Board of Directors and the Insurance Trustee, shall be paid by the Association as a common expense, and such fees and expenses may be deducted from any insurance proceeds in the hands of the Insurance Trustee, pro rata, as the reconstruction or repair progresses;
- (f) such other provisions not inconsistent with the provisions hereof as the Board of Directors or the Insurance Trustee may reasonably require.

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

ARTICLE X Party Walls and Party Fences

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

Section 10.01. General Rules of Law to Apply. Each wall or fence which is constructed as a part of the original construction on the Property and any part of which is placed on the dividing line between separate Lots, shall constitute a party wall or party fence, as applicable. With respect to such wall or fence, each of the adjoining Owners shall assume the burdens and be subject to an easement for that portion of the wall or fence on his or her Lot and shall be entitled to the benefits of these restrictive covenants. In addition, to the extent not inconsistent herewith, the general rules of law regarding party walls and fences, as the case may be, and liability for property damage due to negligence or willful acts or omissions shall apply.

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Section 10.02. Sharing of Repair and Maintenance and Destruction by Fire or Other Casualty. If any such party wall or fence is damaged or destroyed by fire or other casualty or by some cause other than the act of one of the adjoining Owners, his/her agents, or family (including ordinary wear and tear and deterioration from lapse of time), then, in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good a condition as it was in formerly, in proportion to their respective use of the party wall or fence.

Section 10.03. Repairs of Damage Caused by One Owner. If any such party wall or fence is damaged or destroyed through the act of one adjoining Owner or any of his/her agents or guests or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall or fence, as the case may be, then the Owner responsible for such damage shall forthwith proceed to rebuild and repair the same to as good condition as formerly, without cost to the adjoining Owner.

Section 10.04. Encroachments. If any portion of a party wall or fence shall encroach upon any adjoining Lot, or upon the Common Areas and Facilities by reason of reconstruction, settlement or shifting of any building, or otherwise, a valid easement for the encroachment and for the maintenance of the same as long as the building stands shall exist.

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

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

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

ARTICLE XI Management

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

- (a) to establish (with the approval of the Board of Directors of the Association) and provide for the collection of the annual maintenance assessments and any other assessments provided for in this Declaration and to provide for the enforcement of liens therefor in a manner consistent with the law and the provisions of this Declaration.
- (b) to provide for the care, upkeep, maintenance and surveillance of the Common Areas and Facilities, driveways and any other area for which the Association performs the maintenance and upkeep;
- (c) to designate, hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the Common Areas and Facilities;
- (d) to promulgate (with the approval of the Board of Directors of the Association) and enforce such rules and regulations and such restrictions or requirements, "house rules" or the like as may be deemed proper respecting the use of the Common Area and Facilities; and
- (e) to provide such other services (including legal and accounting services) for the Association as may be consistent with law and the provisions of this Declaration.

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

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

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

ARTICLE XII General Provisions

Section 12.01. Rights of The Maryland-National Capital Park and Planning Commission ("M-NCPPC" herein). Any other provision of this Declaration or the Bylaws 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 M-NCPPC, which consent shall not be unreasonably withheld or delayed:

- (a) make any annexation or additions other than as provided for in this Declaration; or
- (b) abandon, partition, dedicate, subdivide, encumber, sell or transfer any of the Common Areas and 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 Areas and Facilities by the Owners shall not be considered a transfer within the meaning of this Section; or
 - (c) abandon or terminate this Declaration; or
 - (d) modify or amend this Article XII.

M-NCPPC 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.

Section 12.02. Common Areas and Facilities Responsibility. The Association, subject to the rights of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and Facilities and all improvements thereon (including, without limitation, furnishings and equipment related thereto, private drainage facilities and common landscaped areas), and shall keep the Common Areas and Facilities in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof.

Section 12.03. Personal Property and Real Property for Common Use. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property, subject to the requirements of this Declaration. The Board of Directors, acting

on behalf of the Association, will accept any real or personal property, leasehold, or other property interests within the Property conveyed to it by the Declarant.

Section 12.04. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 12.05. Limitation of Liability. The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Areas and Facilities, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any member for loss or damage, by theft of otherwise, of articles which may be stored upon the Common Areas and Facilities. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas and Facilities, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

Section 12.06. Enforcement. The Association, or any Owner, or any Mortgagee of any Lot shall have the right to enforce, by any proceeding at law and/or in equity, all restrictions, conditions, covenants, reservations, easements, liens, charges or other obligations or terms now or hereafter imposed by the provisions of this Declaration, or the Articles of Incorporation or Bylaws of the Association or any rule or regulation promulgated by Association pursuant to its authority as provided in the Declaration, Articles of Incorporation or Bylaws. Failure by the Association or by any Owner or by any mortgagee of any Lot to enforce any covenant or restrictions herein contained or any provision of the Bylaws, Articles of Incorporation or rules and regulations of the Association shall in event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants or restrictions or any provision of the Bylaws or Articles of Incorporation of the Association cannot be adequately remedied by action at law or exclusively by recovery of damages. If the Association, or any Owner or Mortgagee of any Lot, successfully brings an action to extinguish a violation or otherwise enforce the provisions of this Declaration or the Articles of Incorporation or Bylaws of the Association, the costs of such action, including legal fees, shall become a binding,

personal obligation of the Owner committing or responsible for such violation, and such costs shall also be a lien upon the Lot of such Owner, provided that the requirements of the Maryland Contract Lien Act are substantially fulfilled.

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

Section 12.07. Fines. In addition to the powers of enforcement provided elsewhere herein, the Association shall have the right to levy fines against an Owner or his guests, relatives, lessees or invitees, in the manner set forth herein, and such fines shall be collectible as any other assessment such that the Association shall have a lien against the Lot of such Owner as provided in this Declaration, the Bylaws and the Articles of Incorporation and such fine(s) shall also become the binding personal obligation of such Owner.

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

terminate for the enforcement activity of the Association with regard to such violation.

- (b) If a hearing is timely requested, the Board of Directors shall hold the same, and shall hear any and all defenses to the charges, including any witnesses that the alleged violator, Owner or the Board of Directors or Covenants Enforcement Committee may produce. Any party at the hearing may be represented by counsel.
- (c) Subsequent to any hearing, or if no hearing is timely requested and if no acknowledgment and promise is timely made, the Board of Directors shall determine whether there is sufficient evidence of a violation or violations as provided herein. If the Board of Directors determines that there is sufficient evidence, it may levy a fine for each violation in the amount provided herein.
- (d) A fine pursuant to this Section 12.07 shall be assessed against the Lot which the violator occupied or was visiting at the time of the violation, whether or not the violator is an owner of that Lot, and shall be collectible in the same manner as any other assessment, including by the Association's lien rights as provided in this Declaration and Bylaws. Nothing herein shall be construed to interfere with any right that an Owner may have to obtain from a violator occupying or visiting his Lot payment of the amount of any fine(s) assessed against that Lot.
- (e) Nothing herein shall be construed as a prohibition of or limitation on the right of the Association to pursue any other means of enforcement of the provisions of this Declaration, the Bylaws, Articles of Incorporation or rules and regulations, including, but not limited to, legal action for damages or injunctive relief.

Section 12.08. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

Section 12.09. Duration and Amendment.

(a) Except where permanent easements or other permanent rights or interests are herein created, the covenants and restrictions of the Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) year period by the approval of not less than ninety percent (90%) of the Lot Owners, and thereafter, by the approval of the Owners of not less than seventy-five percent (75%) of the Lots. Such approval may be obtained at

a duly noticed and held meeting of the Association or such approvals may be obtained in writing from the Owners. The execution of the minutes of a meeting of the Association providing for the approval of any proposed amendment(s) by the requisite percentage of Owners shall also fulfill the requirements of this Section 12.09. Any amendment must be recorded among the Land Records of Prince George's County, Maryland.

(b) Notwithstanding anything in this Declaration to the contrary, the Declarant shall have the right, until the lapse of the Class B memberships, to unilaterally amend this Declaration, without the consent or approval of the Class A members. Such amendment may not abrogate the rights of any mortgagee of any Lot without such mortgagee's consent.

Section 12.10. FHA-VA Approvals. Provided that any Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is insured by FHA or guaranteed by VA, and further provided that there are then Class B memberships of the Association outstanding, neither the members, the Board of Directors, nor the Association shall by act or omission, take any of the following actions without the prior written consent or approval of the Federal Housing Administration and the Veterans Administration, as circumstances may require:

- (a) change the basic organization of the Association including the merger, consolidation, or dissolution of the Association; or
- (b) dedicate, convey, or mortgage the Common Areas and 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 Areas and Facilities by the Members of the Association shall not be considered a transfer within the meaning of this Section; or
- (c) annex additional properties (other than an annexation by the Declarant as provided in Article II); or
- (d) otherwise materially modify or amend any provision of this Declaration, the Bylaws or the Articles of Incorporation of the Association.

Section 12.11. Consents. Any other provision of this Declaration 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 and approval of all Eligible Mortgage Holders of record on the Lots:

(a) Abandon, partition, subdivide, encumber, sell or transfer any of the Common Areas and 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 Areas and Facilities by the Members of the Association shall not be considered a transfer within the meaning of this Section; or

- (b) Abandon or terminate this Declaration; or
- (c) Modify the method of determining and collecting common expense assessments or other assessments as provided for in this Declaration; or
- (d) Resolve to use the proceeds of casualty insurance for any purpose other than the repair, replacement or reconstruction of the Common Areas and Facilities; or
- (e) Modify or amend any material or substantive provision of this Declaration or the By-Laws of the Association.

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

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

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

Section 12.13. Casualty Losses. In the event of substantial damage or destruction to any of the Common Areas and Facilities,

the Board of Directors of the Association shall give prompt written notice of such damage or destruction to the Eligible Mortgage Holders who hold first mortgages of record on the Lots. No provision of this Declaration or the Articles of Incorporation or the Bylaws of the Association shall entitled any member to any priority over the holder of any first mortgage of record on his Lot with respect to the distribution to such member of any insurance proceeds paid or payable on account of any damage or destruction of any of the Common Areas and Facilities.

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

Section 12.15. Declarant's Power of Attorney. Notwithstanding any provision to the contrary contained in the Articles of Incorporation or Bylaws of the Association or this Declaration, the Declarant hereby reserves for itself, its heirs, successors, personal representatives and assigns, for a period of ten (10) years from the date the first Lot is conveyed to a Class A Member, or until it conveys title to the last Lot, whichever occurs first, the right to execute on behalf of all contract purchasers, Owners, Eligible Mortgage Holders, mortgagees, and other lienholders or parties claiming a legal or equitable interest in any Lot or Common Areas and Facilities, any such agreements, documents, amendments or supplements to this Declaration, the Articles of Incorporation and Bylaws of the Association which may be required by FNMA, FHA, VA, FHLMC, GNMA or by any governmental or quasi-governmental agency having regulatory jurisdiction over the Association, or institutional lender or title insurance company designated by the Declarant.

(a) By acceptance of a deed to any Lot or by the acceptance of any other legal or equitable interest in the Lots or Common Areas and Facilities, each and every such contract purchaser, Owner, Eligible Mortgage Holder, Mortgagee or other lienholder or party having a legal or equitable interest in any Lot or Common Areas and Facilities does automatically and irrevocably name, constitute, appoint and confirm the Declarant, its successors, transferees and assigns, as attorney-in-fact for the purpose of executing such agreement, document, amendment, supplement and other instrument(s) necessary to effect the foregoing subject to the limitations set forth herein.

- (b) No such agreement, document, amendment, supplement or other instrument which adversely affects the value of a Lot, or substantially increases the financial obligations of an Owner, or reserves any additional or special privileges for the Declarant not previously reserved, shall be made without the prior written consent of the affected Owner(s) and all owners of any mortgage(s) encumbering the Lots owned by the affected Owner(s). Any such agreement, document, amendment, supplement or instrument which adversely affects the priority or validity of any mortgage which encumbers any Lot or Common Areas and Facilities shall not be made without the prior written consent of the owners of all such mortgages.
- (c) The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Lots, Common Areas and Facilities and shall be binding upon the heirs, personal representatives, successors, transferees and assigns for any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power of attorney. Said power of attorney shall be vested in the Declarant, its successors, transferees and assigns until the initial conveyance of all Lots and Common Areas and Facilities planned to be annexed within the jurisdiction of the Association or the expiration of same.

Section 12.16. Taxes and Assessments. It is the intent of this Declaration that insomuch as the interests of each Owner to use and enjoy the Common Areas and Facilities is an interest in real property appurtenant to each Lot, the value of the interest of each owner in such Common area shall be included in the assessment for each such Lot and as a result, any assessment directly against such Common Areas and Facilities should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various Lots.

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

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

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

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

Section 12.21. Perpetuities. If any of the covenants, restrictions, or other provisions of this Declaration shall be unlawfully void, or voidable for violation of the rule against perpetuities, then such provision shall continue only until twentyone (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

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

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument this 3rd day of December, 2004.

WITNESS:

Michael of Briso

FOSTER COMMUNITIES OF MARYLAND, INC. a Maryland Corporation

Bruce Foster, President

STATE OF Mary and

to wit:

COUNTY OF anne annual:

_ day of <u>December</u>, 2004, before me, the undersigned officer, personally appeared Bruce Foster, who has satisfactorily proven to be the person whose name is subscribed to the within instrument, and as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of said managing member.

GIVEN under my hand and seal this 310 day of December.

2004.

My Commission Expires:

PATRICIA C. ROSS NOTARY PUBLIC, STATE OF MARYLAND COMMISSION EXPIRES FEBRUARY 1, 2007

CERTIFICATION

THIS IS TO CERTIFY, that the within instrument was prepared by or under the supervision of the undersigned, an attorney duly admitted to practice before the Court of Appeals of Maryland.

Exhibit "A"

Description of Property subject to the provisions of the Declaration of Covenants,
Conditions and Restrictions for
Campfire Hills Homeowners Association, Inc.

Being all of the land conveyed by John B. Plato and Christine G. Plato by two (2) deeds dated December 10, 1955 and November 5, 1962 to Potomac Area Council of Camp Fire Girls recorded in Liber 1939 Folio 234 and Liber 2754 Folio 609, respectively, among the land records of Prince George's County, Maryland, as shown on a Boundary Survey by Central Maryland Surveyors, Incorporated, dated March 2003, and being more particularly described as follows:

Beginning for the same at a rebar and cap set on the northerly line of Lot 9, Block B as shown on a plat entitled "Plat Three, Wintergreen", recorded in Plat Book VJ 158 Page 76, and being a corner to Parcel 320 recorded in Liber 1203 Folio 196, said rebar and cap set is 11.73 feet northeast from a rebar and cap found at the northwesterly corner of said Lot 9;

Thence departing said Lot 9 and running with said Parcel 320

- 1. N06°36'52"W 961.41 feet to a rebar and cap set on the line of Lot 10 as shown on a plat entitled "Section Four, Waterford", recorded in Plat Book 58, Page 11; thence departing said Parcel 320 and running with said Lot 10 and with Lots 11 through 14 of said Waterford, Plat Book 58, Page 11
- 2. N62°43'41"E 278.44 feet to a monument found, said point being a corner to M.N.C.P. & P.C., Parcel 322 recorded in Liber 3636 Folio 98; thence departing said Lot 14 and running with said Parcel 322
- 3. N62°45'34"E 159.07 feet to an iron pipe found, said point being a corner to M.N.C.P. & P.C., Parcel 54, recorded in Liber 4391 Folio 277; thence departing aforesaid Parcel 322 and running with said Parcel 54 the following courses and distances
- 4. S07°45'53"E 585.92 feet to an iron pipe found; thence
- 5. S44°21'41"E 83.35 feet to an iron pipe found; thence
- 6. S68°45'19"W 51.10 feet to an iron pipe found; thence
- 7. S07°45'53"E 240.40 feet to a concrete monument found, said point being a corner to Parcel A as shown on a plat entitled "Parcels A & B, The American Legion Post No. 126", recorded in Plat Book 74, Page 17; thence departing said Parcel 54 and running with said Parcel A

- 8. S07°46'30"E 92.38 feet to a monument found, said point being a corner to Lot 22 as shown on a plat entitled "Plat Four, Wintergreen", recorded in Plat Book VJ 158 Page 77; thence departing said Parcel A and running with said Lot 22 and with Lots 21, 20 and 19, Plat Book VJ 158 Page 77, and with aforementioned Lot 9, Plat Book VJ 158 Page 76
- 9. S67°58'40"W 445.46 feet to the point of beginning and containing 9.5066 acres of land more or less.

AND

Being part of the land conveyed by Christine G. Plato, widow, to My Maryland Post No. 126 - The American Legion - Incorporated, by three (3) deeds dated July 3, 1969, August 27, 1969, and November 5, 1969 and recorded in Liber 3743 at Folio 68, Liber 3766 at Folio 935, and Liber 3781 at Folio 613, respectively, all among the Land Records of Prince George's County, Maryland, also being Parcel A as shown on a plat of subdivision entitled "Parcels A & B, The American Legion Post No. 126" recorded among the aforesaid Land Records in Plat Book 74 Page 17, and as shown on a Boundary Survey by Central Maryland Surveyors, Incorporated, dated March 2003, and being more particularly described as follows:

Beginning for the same at a rebar and cap set on the easterly line of Lot 27, Block B, as shown on a plat entitled "Plat Four, Wintergreen", recorded in Plat Book VJ 158 Page No. 77, and being on the northwesterly terminus of the 60 foot right-of-way of Karen Boulevard, as dedicated in Plat Book 74 Page 17;

Thence departing said Karen Boulevard and running with said Lot 27 and with Lots 22 through 25 of said Wintergreen

- 1. N07°46'30"W 563.76 feet to a monument found, said point being a corner to Potomac Area Council of Camp Fire Girls, recorded in Liber 1939 at Folio 234; thence departing said Lot 22, Block B, Wintergreen and running with said Potomac Area Council of Camp Fire Girls
- 2. N07°46'30"W 92.38 feet to a concrete monument found, said point being a corner to M.N.C.P. & P.C., Parcel 54, recorded in Liber 4391 Folio 277; thence departing said Potomac Area Council of Camp Fire Girls and running with said M.N.C.P. & P.C. the following courses and distances;
- 3. N89°26'30"E 277.80 feet to a rebar and cap found; thence
- 4. S72°25'10"E 254.68 a rebar and cap found; thence
- 5. N11°17'30"E 81.02 feet to an iron pipe found; thence
- 6. N89°26'30"E 344.03 feet to a rebar and cap set, said point being a corner to Parcel 139 recorded in Liber 3228 at Folio 594; thence departing said M.N.C.P. & P.C. and running with said Parcel 139

- 7. S00°33'30"E 203.45 feet to an iron pipe found, said point being on the line of Parcel 55 as recorded in Liber 407 at Folio 115 and Liber 425 at Folio 31; thence departing said Parcel 139 and running with said Parcel 55
- 8. S89°32'10"W 49.67 feet to an iron pipe found, thence
- 9. S03°00'04"E 227.48 feet to a rebar and cap set on the northerly right-of-way line of the aforementioned Karen Boulevard; thence departing said Parcel 55 and running with said Karen Boulevard
- 10. 218.34 feet along the arc of a curve to the left, said curve having a radius of 1,165.92 feet and a chord bearing and distance of S83°49'13"W 218.02 feet to a rebar and cap set; thence
- 11. S78°27'20"W 563.04 feet to the point of beginning and containing 8.9778 acres of land more or less;

That the total area subject to this Declaration is 18.4844 acres of land.

Exhibit "B"

Description of Common Areas and Facilities to be Conveyed to The Campfire Hills Homeowners Association, Inc.

Being all that parcel of land located in the Sixth (6th) Election District of Prince George's County, Maryland and described as follows:

Parcel F (24,545 sq. ft.), Block A and Parcels A (57,760 sq. ft.) and B (82,949 sq. ft.), Block C, depicted on a final plat of subdivision entitled "Plat One, Lots 1 through 5 and Parcel F, Block A, and Lots 1 through 5, 7 through 9, and Parcels A and B, Block C, Campfire Hills," which plat is to be recorded among the Land Records of Prince George's County, Maryland. Said property contains a total of 165,254 square feet of land.

Parcels C (62,936 sq. ft.), D (92,285 sq. ft.), and E (2,579 sq. ft.), Block C, depicted on a final plat of subdivision entitled "Plat Three, Lots 4, 5 and 6, Block B, Lots 13 through 19, and Parcels C, D, and E, Block C, Campfire Hills," which plat is to be recorded among the Land Records of Prince George's County, Maryland. Said property contains a total of 157,800 square feet of land.

CAMPFIRE HILLS HOMEOWNERS ASSOCIATION, INC. FIRST SUPPLEMENTARY DECLARATION AND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

WITNESSETH:

WHEREAS, a certain Declaration of Covenants, Conditions and Restrictions for Campfire Hills Homeowners Association, Inc. was recorded on December 3, 2004 among the Land Records of Prince George's County, Maryland, at Liber 20793 folio 023, et seq. (the "Declaration"); and

WHEREAS, Section 2.02 of the Declaration, as amended by the First Amendment, authorizes the Declarant to annex any real property contiguous to or in the vicinity of the original land included within the jurisdiction of the Association without the consent of the Class A members for a period of ten (10) years from the dated of recordation of the Declaration by recording a Supplementary Declaration extending the scheme of the Declaration to the annexed property; and

WHEREAS, Campfire Hills Homeowners Association, Inc. and Foster Communities of Maryland, Inc, a Maryland Corporation are the owners of certain real property which is located within the Campfire Hills Subdivision and contiguous to the land subjected to the provisions of the Declaration; and

WHEREAS, the Declarant desires to record this First Supplementary Declaration for the purpose of annexing property contiguous to the original property included with the within the jurisdiction of the Campfire Hills Homeowner's Association for the purpose of subjecting said property to the covenants, conditions, restrictions and easements set forth in the Declaration. This land area was intended to be, but was inadvertently not included in the original description of the land included within the jurisdiction of the Association; and

whereas, Foster Communities of Maryland, Inc. as property owner, and the Campfire Hills Homeowners Association have executed this First Supplementary Declaration to indicate their consent to the annexation of their property into the Campfire Hills Homeowners Association and the subjection of their property to the

covenants, conditions, restrictions and easements set forth in the Declaration.

WHEREAS, the Declarant further desires to amend the Declaration by modifying a reference to the preliminary plan of subdivision in Section 1.06.

NOW THEREFORE, for the purposes aforesaid, the Declarant hereby declares as follows:

- 1. The Declarant hereby declares that the real property described on Exhibit "A" attached hereto and made a part hereof of this First Supplementary Declaration is hereby annexed within the jurisdiction of the Association and that said real property shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to the Declaration. Attached as Exhibit "B" is a revised description of all of the property which included within, and intended to be subject to the provisions of the Declaration, as amended by this Supplementary Declaration. In the event that any portion of the land described in Exhibit B shall not have been included in any prior description of land subjected to the Declaration, it is the intention of the Declarant that all of the real property described on Exhibit "B" constitute the property included under the jurisdiction of the Association.
- 2. Amendment of Section 1.06. The definition of the term "Development Plan" set forth in Section 1.06 of the Declaration is hereby amended to modify the preliminary plan of subdivision number for the "Campfire Property" from preliminary plan number 4-02123 to preliminary plan number 4-05092.
- 3. <u>Definitions</u>. All terms used herein shall have the meaning specified in the Declaration, unless otherwise noted.
- 4. No other changes. Except as otherwise provided herein, the provisions of the Declaration and the First Amendment are hereby reaffirmed by the Declarant and no other changes in said document are intended by the execution of this First Supplementary Declaration.

Attest:

Jeresa & Bock

FOSTER COMMUNITIES OF MARYLAND, INC.

By:

λ: -

Bruce C. Foster, President

As Declarant and as property

owner

Witness:

CAMPFIRE HILLS ASSOCIATION, INC.

HOMEOWNERS

Deresa & Bock

Bv:

Bruce C. Foster, President

STATE OF MARYLAND

. : \$S:

COUNTY OF BALTIMORE

on this 17th day of January, 2007, before me, Bruce C. Foster Teresa Bruk, the undersigned officer, personally appeared Bruce C. Foster, known to me (or satisfactorily proven) to be the President of Foster Communities of Maryland, Inc., and acknowledged that he executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

Olnena J. Buck Notary Public

My Commission Expires: 5-1-07

WE HEREBY CONSENT TO THE RECORDATION OF THIS SUPPLEMENTARY

DECLARATION

DATE:

THE COLUMBIA BANK

WITNESS

SCOTT C NICHOLSON

TRUSTEE

CERTIFICATION

	THIS	IS	TO	CERT	IFY,	tha	t the	e with	in:	instrume	nt 1	was	prepar	red by
or	under	th	ie s	super	visi	on c	of t	he un	der	signed.	an	at:	torney	duly
adm	itted	to	pra	ctice	e be:	Eore	the	Court	of:	Appeals	s of	: Ma	ryland.	. •

THOMAS H. HALLER

Exhibit "A"

DESCRIPTION OF PARCEL B THE AMERICAN LEGION POST NO. 126 PLAT BOOK 74 PAGE 17 PRINCE GEORGE'S COUNTY, MARYLAND

Description of part of the land conveyed by Christine G. Plato, widow, to My Maryland Post No. 126 - The American Legion - Incorporated, by three (3) deeds dated July 3, 1969, August 27, 1969, and November 5, 1969 and recorded in Liber 3743 at Folio 68, Liber 3766 at Folio 935, and Liber 3781 at Folio 613, respectively, all among the Land Records of Prince George's County, Maryland, also being Parcel B as shown on a plat of subdivision entitled "Parcels A & B, The American Legion Post No. 126" recorded among the aforesaid Land Records in Plat Book 74 Page 17, and as shown on a Boundary Survey by Central Maryland Surveyors, Incorporated, dated March 2003, and being more particularly described as follows:

Beginning for the same at a rebar and cap set on the northerly line of Parcel 1, recorded in Liber 4265 Folio 700, and being on the southwesterly terminus of the 60 foot right-of-way of Karen Boulevard, as dedicated in Plat Book 74 Page 17;

Thence departing said Parcel 1 and running with said Karen Boulevard the following courses and distances

- 1. N78°27'20"E 514.99 feet to a rebar and cap set; thence
- 2. 208.49 feet along the arc of a curve to the right, said curve having a radius of 1,105.92 feet and a chord bearing and distance of N83°51'22"E 208.18 feet to a rebar and cap set, said point being on the line of Parcel 276, recorded in Liber 7062 Folio 90; thence departing said Karen Boulevard and running with said Parcel 276
- 3. SO3.03'17"E 119.70 feet to an iron pipe found, said point being on the line of the aforementioned Parcel 1; thence departing said Parcel 276 and running with said Parcel 1
- 4. S89°32'10"W 717.96 feet to the point of beginning and containing 48,653 sq. ft. or 1.1169 acres of land more or less.

It is intended hereby that the property annexed within the jurisdiction of the Association includes any portion of the Karen Boulevard right-of-way owned by virtue of the adjacency of the above described property thereto, which right of way was vacated pursuant to vacation petition V-04001.

EXHIBIT "B'

DESCRIPTION OF THE REAL PROPERTY INCLUDED WITHIN THE JURISDICTION OF THE CAMPFIRE HILLS HOMEOWNERS ASSOCIATION INC. UPON THE RECORDATION OF THE FIRST SUPPLEMENTARY DECLARATION

Being all that land located in the 6^{th} Election District of Prince George's County, Maryland, and being more particularly described as follows:

BEING KNOWN AND DESIGNATED as all that land shown on a plat of subdivision entitled "Plat One, Lots 1 through 5, and Parcel A, Block A, and Lots 1 through 5, 7 through 9, and Parcels A, and B, Block C, Campfire Hills" which plat is recorded among the Land Records of Prince George's County, Maryland in Plat Book REP 212, Plat No. 65. The total area of this plat of subdivision, which includes 13 lots and 3 parcels, is 7.8924 acres, of which .8649 acres have been dedicated to public use.

BEING KNOWN AND DESIGNATED as all that land shown on a plat of subdivision entitled "Plat Two, Lots 6 through 15, Block A, Lots 1 through 3, Block B, and Lots 6 and 10 through 12, Block C, Campfire Hills" which plat is recorded among the Land Records of Prince George's County, Maryland in Plat Book REP 212, Plat No. 66. The total area of this plat of subdivision, which includes 17 lots, is 5.9281 acres, of which 1.3477 acres have been dedicated to public use.

BEING KNOWN AND DESIGNATED as all that land shown on a plat of subdivision entitled "Plat Three, Lots 4, 5, and 6, Block B, Lots 13 through 19, and Parcels C, D, and E, Block C, Campfire Hills" which plat is recorded among the Land Records of Prince George's County, Maryland in Plat Book REP 212, Plat No. 67. The total area of this plat of subdivision, which includes 10 lots and 3 parcels, is 6.8474 acres, of which .4854 acres have been dedicated to public use.

Being all of the same property described in a deed dated September 5, 2003, by and between PDC-Campfire, Inc. and Foster Communities of Maryland, Inc., recorded among the Land Records of Prince George's County, Maryland, in Liber 18564, folio 545.