

or otherwise join two or more such dwellings or improvements, or to partition the same after combination, or to remove or alter any windows or exterior doors of any such dwellings or improvements until the complete plans and specifications, showing the location, nature, shape, height, material color, type of construction and any other proposed form of change (including, without limitation, any other information specified by the Board) shall have been submitted to and approved by the Board in writing as to safety, harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for Zachia Manor.

Section 2. Approvals, etc. Each applicant for approval of an addition, alteration, or improvement to or of a Lot shall submit to the Board at least two sets of plans and specifications therefor. Upon approval by the Board of such plans and specifications, as approved, shall be deposited among the permanent records of the Association and the other copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Board fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this article within sixty (60) days after such plans and specifications (and all other materials and information required by the Board) have been submitted to it in writing, then such approval shall be deemed to have been given by the Board as the sixty-first (61st) day after submission.

Section 3. Limitations. There shall be no deviation from the plans and specifications approved by the Board without the prior consent in writing of the Board. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Board to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

Section 4. Rules and Regulations, etc. The Board 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 and record such statements of policy, standards, guidelines and establish such criteria relative to architectural styles or details, fences, colors, setbacks, materials or other matters relative to architectural control and the protection of the environment, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration. The Board may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this article or for the procurement of such expert or technical advice with respect thereto as it shall deem necessary.

Section 5. Architectural Review Committee. In its discretion, the Board may delegate any or all of its powers, authorities and responsibilities as set forth in Sections 1, 2, and 3 of this Article (but not those powers and responsibilities set forth in Section 4 of this Article, and saving and excepting a power and authority to hear appeals from interested parties concerning final

decisions of Architectural Review Committees as set forth herein below). In the event the Board does delegate any or all of its powers, authorities and responsibilities as set forth herein above, it shall specifically retain a power and authority to hear appeals from interested parties concerning final Architectural Review Committee decisions. Any such appeal must be made to the Board in a writing setting forth the basis for the appeal, within thirty (30) days after a final Architectural Review Committee decision is rendered. The Board shall hear the appeal within a reasonable time. The Board may at any time in its discretion revoke any such delegation of its powers as herein provided for and revest the delegated powers, authorities or responsibilities in itself; provided, however, that all actions by such Architectural Review Committees while vested with delegated powers, authorities or responsibilities of the Board shall be deemed to be as effective as if made or done by the board itself. An Architectural Review Committee appointed pursuant to the provisions of this section shall have the power at any time to make such nonbinding recommendations to the Board for such Rules and Regulations of the type set forth in Section 4 of this Article as it shall deem advisable.

ARTICLE XII: ASSESSMENTS

Section 1. **Regular Maintenance Assessments.** Except as assessments of the Declarant are limited by the provisions of this Article, each person who becomes an Owner of a lot within the Property (i.e., each Member of the Association), by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay the Association, regular maintenance assessments and special assessments as hereinafter provided. The assessments shall be due and payable as determined by the Board of Directors and shall represent the Member's proportionate share of the sums required by the Association, as estimated by the Board, to meet its annual common expenses, including but in no way limited to the following:

- (a) the cost of all and association property on private lots operating expenses of the Common Areas, community facilities, and association property on private lots and the services furnished to or in connection with the Common Areas, community facilities, and Association property; and
- (b) the cost of necessary management and administration of the Common areas and community facilities, including fees paid to any Management Agent; and
- (c) the amount of all taxes and assessments levied against the Common Areas and community facilities; and
- (d) the cost of any insurance required or authorized by this Declaration or otherwise deemed by the Board to be in the best interests of the Association; and
- (e) the cost of utilities and other services which may be provided by the Association, whether for the Common Areas or for the Lots, or both; and

(f) the cost of maintaining, replacing, repairing, and landscaping the Common Areas, including those portions of private lots which have Association property located upon them, and landscaping private lots which contain Association property together with such equipment as the Board shall determine to be necessary and proper in accordance therewith; and

(g) the cost of funding all reserves established by the Board, including, when appropriate, a general operating reserve and a reserve for replacements; and

(h) such other costs and common expenses as may be incurred by the Association and the Board in the promotion of the recreation, health, safety and welfare of the residents of the Property or in the exercise of powers and authority granted in the Declaration, the Articles, the Bylaws, or otherwise under applicable law. All Owners shall be obligated to pay the maintenance assessments assessed by the Board pursuant to this article. No Owner may exempt himself from liability for maintenance assessments by abandonment of any Lot belonging to him or by the abandonment of his right to the use and enjoyment of the Common Areas and community facilities. Except as otherwise hereinafter expressly provided, all maintenance assessments shall be levied at a uniform rate for each lot to which Class A membership is appurtenant. All assessments levied hereunder with respect to any Lot shall be the joint and several liability of the persons who are Owners of that Lot.

Section 2. Assessment Determination. The Board shall determine the amount of the regular assessments annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board, installments of regular assessments may be levied and collected on a quarterly, semi-annual, or annual basis rather than on the monthly basis hereinabove provided for. Any Member may prepay one or more installments on any annual assessment levied by the Association without premium or penalty.

Section 3. Annual Budget. The Board shall prepare, or cause the preparation of, an annual operating budget for the Association which shall provide for the common expenses of the Association including, without limitation, the expenses described in Section 1 of this article. The annual budget shall be the basis for determination of the regular assessments. The Board shall make reasonable efforts to fix the amount of the annual assessment against each Lot for each assessment period at least thirty (30) days in advance of the commencement of such period and shall, at that time, prepare a roster of the lots and the annual assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice to the Board. Written notice of the annual assessments shall thereupon be sent to the Members. The failure or omission by the Board, before the expiration of any assessment period, to fix the amount of the annual assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this article or a release of any Member from the obligation to pay the annual assessment, or any installment thereof, for that or any subsequent assessment period, but the annual assessment fixed for the preceding period shall continue until a new assessment is fixed and published by the Board.

for the preceding period shall continue until a new assessment is fixed and published by the Board.

Section 4. Special Assessments. In addition to the regular assessments authorized by this Article, the Board may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair or replacement of a described capital improvement located upon, or forming a part of the Common Areas and community facilities, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board may consider appropriate; provided, however, that, except as otherwise herein authorized or provided, in any fiscal year, the Board may not without the vote or written assent of a majority of each class of Members of the Association, levy special assessments which will exceed \$250.00 Dollars per Lot per year. All special assessments shall be levied at a uniform rate for each Lot to which Class A membership is appurtenant.

Section 5. Reserves for Replacements. The Board may establish and maintain a reserve fund for replacements of the Common Areas and community facilities by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board. Such fund shall be conclusively deemed to be common expense of the Association and may be deposited with such depository or depositories as the Board shall, in its discretion, designate. The reserve for replacements of the Common Areas and community facilities and Association property may be expended only for the purpose of effecting major repairs to, or the replacement of, the Common Areas and community facilities and for start-up expenses and operating contingencies of a non-recurring nature relating to the Common Areas and community facilities. The Board may establish such other reserves for such other purposes as the Board may from time to time consider to be necessary or appropriate. The proportional interest of any Member in any such reserve shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from ownership of the Lot to which it appertains and shall be deemed to be transferred or otherwise separated from ownership of the Lot to which it appertains and shall be deemed to be transferred with such Lot.

Section 6. Working Capital Reserve. Each Owner other than the Declarant shall deposit with the Association the sum of Two Hundred Fifty Dollars (\$250.00) to be used and maintained as a reserve for working capital. All interest income earned by such working capital deposits shall become the property of the Association and may be used, in the discretion of the Board, to pay common expenses which are included in the Common Budget. Each Owner shall be entitled to a refund of his said deposit upon the dissolution of the Association if all assessments and other sums owed with respect to his Lot have been fully paid at the time of such dissolution, or upon the transfer or conveyance of his Lot if (i) all assessments and other sums owed with respect to his Lot have been fully paid at the time of such transfer or conveyance, (ii) he shall have notified the Board or the Management Agent (as determined by the Board) of the full names, mailing addresses, and telephone numbers of all transferees, grantees, and mortgagees of such transferees or grantees, and (iii) such transferees or grantees have deposited with the Association the sum of Two Hundred Fifty Dollars (\$250.00) for the working capital reserve.

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The deposit requirement of this Section 6 for the working capital reserve shall be a lien against each Owner's Lot in the amount of Two Hundred Fifty Dollars (\$250.00) as of the first day such Owner acquires title to his Lot, and such lien shall be enforceable as if said deposit requirement were a part of said Owner's assessment for the payment of common expenses. Any such lien for the payment of the deposit requirement of this Section 6 shall be subject to the provisions of Section 14 of this Article with respect to the priority thereof.

Section 7. Individual Lot Expenses. Except as may be specifically provided for herein, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the dwellings or other improvements or appurtenances on the Lots; and the responsibility and duties of the Association for maintenance and repairs shall be limited to the Common Areas, community facilities and Association property. The Owner of any Lot shall, at his own expense, maintain his Lot and dwelling, and any and all improvements and appurtenances thereto, in good order, condition and repair and in a clean, attractive and sanitary condition at all times, all as more specifically provided in Section 2 of Article V of this Declaration.

Section 8. Initial Assessments; Increases and Decreases. Except as may be otherwise resolved by the Board, the regular annual assessment for each Class A Membership shall commence on the date of deed for the Lot to which such membership is appurtenant is delivered by the Declarant to the Member. The first monthly installment of each such annual assessment shall be made proportionately for the balance of the month during which a deed for the Lot is delivered to the Member and shall become due and payable and a lien on the date a deed for the Lot is delivered to the Member. Except as herein elsewhere provided or as otherwise determined by the Board, the installments of each such regular assessment for any Lot shall be due and payable in advance and a lien on the first day of each calendar month in the year as for which such assessment is made. Assessments may be increased or decreased by the Board at any time as the Board, in its sole discretion, shall deem such to be in the best interests of the Association.

Section 9. Nonpayment of Assessments. Any Assessment levied pursuant to this Declaration, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon, "late charges", reasonable attorneys' fees, and the costs of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied and shall bind such Lot or Lots in the hands of the then Owners, his heirs, devisees, personal representatives and assigns. The personal obligation of the Member to pay such assessment, interest thereon, "late charges", reasonable attorneys' fees, and costs of collection shall, in addition, remain his personal obligation for the statutory period and a suit to recover a money judgement for such obligation may be maintained without foreclosing or waiving the lien herein created to secure the same.

Section 10. Interest; Late Charges. Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid within ten (10) days after is due, may, upon resolution of the Board, bear interest from the date due at a rate not to exceed the

to pay the same, and/or foreclose on the lien against the Lot or Lots then belonging to said Member in the manner now or hereafter provided for the foreclosure of mortgages, deeds of trust or other liens on real property in the State of Maryland containing a power of sale and consent to a decree, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs, and reasonable attorneys' fees shall be added to the amount of each such delinquent assessment. Any interest, "late charge", reasonable attorneys' fees, or other costs due hereunder shall be the joint and several liability of all persons who are Owners of the Lot or Lots with respect to which such charges are a lien hereunder.

Section 11. Delinquency Notices. The Association shall notify the holder of the first mortgage on any Lot for which any assessment levied pursuant to this Declaration becomes delinquent for a period in excess of thirty (30) days and in any other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days but any failure to give such notice shall not affect the validity of the lien for any assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities established in this article. The Board may post a list of members who are delinquent in the payment of any assessments or other fees which may be due the Association, including any installment thereof, which becomes delinquent, in any prominent location upon the Property.

Section 12. Assessment Certificates. The Association shall upon demand at any time furnish to Member liable for any assessment levied pursuant to this Declaration (or any other party legitimately interested in the same) a certificate in writing signed by an officer of the Association, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A reasonable charge may be levied in advance by the Association for each certificate so delivered.

Section 13. Acceleration of Installments. Upon default in the payment of any monthly installment of any assessment levied pursuant to this Declaration, or any other installment thereof, the entire balance of the regular assessments due from that Owner for the year in question may be accelerated at the option of the Board and be declared due and payable in full. Any such accelerated regular assessments shall thereupon become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied and shall be collectable in the same manner and subject to the same interest, costs and charges as if such accelerated balance were a delinquent regular assessment.

Section 14. Priority of Lien. The liens established by this Declaration shall not be affected by the sale or transfer of the Lot encumbered and shall have preference over any other assessments, liens, judgements or charges of whatever nature, except the following:

- (a) general and special assessments for ad valorem real estate taxes on the Lot; and

(b) the liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Lot prior to the assessment thereon of the liens provided for in this Declaration or duly recorded on said lot after receipt of a written statement from the Board reflecting that payments on said liens were current as of the date of recordation of said deed of trust, mortgage instruments or encumbrances.

Notwithstanding any other provision of this Declaration to the contrary, however, the lien of any assessment levied pursuant to this Declaration upon any Lot, as in this article provided, shall be subordinate to the lien of any first mortgage made in good faith and for value received and shall in no way affect the rights of holders of any such first mortgage; provided, however, that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to a sale or transfer of the Lot pursuant to a foreclosure of such first mortgage, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure thereof. Any holder of a first mortgage duly recorded on the Lot and made in good faith and for value received who takes legal title to the Lot pursuant to a foreclosure of such first mortgage, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any other purchaser at a foreclosure sale thereon, shall take the Lot free of any claims for unpaid assessments levied against the Lot which accrue prior to the time such holder takes legal title to the Lot or prior to the foreclosure sale, except for claims for a proportionate share of such unpaid assessments resulting from a reallocation of such unpaid assessments among the Lots upon the Property. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not, however, relieve the mortgage in possession or the purchaser at any foreclosure sale from any liability for any assessments thereafter becoming due, or from the lien herein created to secure the payment of such assessments, which said lien, if claimed, shall have the same effect and be enforced in the same manner as provided herein. 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 of the indebtedness secured thereby) shall join in the execution of such amendment. The Board may, in its sole and absolute discretion, extend the provisions of this section to the holders of mortgages (or of the indebtedness secured thereby) not otherwise entitled thereto.

Section 15. Assessment of Declarant. Anything in this Declaration to the contrary notwithstanding, each Lot held by the Declarant, or any other Class B Member shall only be subject to assessment by the Association in such amount as shall equal twenty-five percent (25%) of the regular assessment of a Lot until fifteen (15) days following the issuance by the appropriate agency of Charles County, Maryland, of a Certificate of Occupancy, or the like for a dwelling or dwellings constructed upon such Lot.

Section 16. Exempt Property. No portion of the Common Areas or community facilities shall be subject to assessment of any kind by the Association.

Section 17. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for a Lot

shall be Two Hundred Fifty Dollars (\$250.00). From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased from the limites for the proceeding year by the greaer of:

(a) an amount not to exceed the preceding year's maximum regular assessment multiplied by five percent (5%) without the vote of the membership; or

(b) such amount as shall be determined by the Board to be in the best interests of the Association with the majority votes of all classes.

ARTICLE XIV: Compliance and Default

Each Owner and/or occupant or user of the Property (or any part thereof) shall be governed by, and shall comply with all of the terms of this Declaration, the Rules and Regulations herein provided for, and any amendments of the same. A default by an Owner or such occupant or user shall entitle the Board, acting by itself, for the Association, or through the Management Agent, to the following relief:

Section 1. Legal Proceedings: Failure to comply with any of the terms of this Declaration or the Rules and Regulations shall be ground for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of any and all assessments, any other relief provided for in this Declaration and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Board, the Management Agent, or, if appropriate, by any aggrieved Owner. 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 and restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

Section 2. Additional Liability. Each Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his tortious acts, neglect or carelessness or the tortious acts, neglect, or carelessness of any member of his family or his employees, tenants, agents, guests, invitees, or licensees. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

Section 3. Costs and Attorney's Fees. In any proceeding arising out of any alleged default by an Owner, occupant or user of the Property (as specified in Section 1 above), the Board, the Management Agent and/or any aggrieved Owner, shall be entitled to recover the costs of the proceedings, and such reasonable attorneys' fees as may be determined by the court.

Section 4. No Waiver of Rights. The failure of the Association, the Board, or any

Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration or the Rules and Regulations shall not constitute a waiver of the right of the Association, the Board, or the Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privilege granted to the Association, the Board or an Owner pursuant to any term or provision of this Declaration or the Rules and Regulations shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by any other term or provision of this Declaration or the Rules and Regulations, at law or in equity.

Section 5. Abatement and Enjoinment of Violations by Owners. The violation of any provision of this Declaration or of any of the Rules and Regulations adopted by the Board shall give the Board (or the Management Agent or its agents and employees at the direction of the Board) the right, in addition to any other rights set forth in this Declaration, (a) after reasonable notice, to enter the Lot or Common Area upon which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions herof or said rule or regulation and the Board (or the Management Agent, its agents and employees) shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, at the expense of the breaching party. Prior to altering or demolishing items of construction on any Lot pursuant to this section, the Board (or the Managing Agent or its agents and employees at the direction of the Board) shall first attempt to obtain redress by judicial proceedings pursuant to subsection (b) of the preceding sentence.

Section 6. Fines. After providing such due process as is required by the Bylaws, the Board shall have the power to impose a fine of not more than \$50.00 for each initial violation or \$25.00 for each repeated violation by an Owner or a tenant, guest, or member of the family of an Owner, of any of the provisions of this Declaration or the Rules and Regulations. Fines for violations by a member of an Owner's family or his tenants or guests shall be the joint and several obligation of such Owner; and, for the purposes of this subsection, each day any such violation continues shall be deemed to be a separate such violation. Any fine imposed by the Board for a violation of this Declaration or the Rules and Regulations, together with interest, attorneys' fees and costs of collection as hereinafter provided, shall be a lien levied against the Owner's Lot as of the day of the imposition of the fine, and may be foreclosed in the manner provided for the foreclosure of liens for assessments. Any such lien for the payment of a fine shall be subject to the provisions of Section 14 of Article XI of this Declaration as if such lien were a lien for a maintenance assessment. As determined by the Board, interest on the unpaid amount of any fine shall accrue at a rate not to exceed the maximum legal rate permitted from time to time in the State of Maryland. In the event of litigation to collect the amount of any fine imposed pursuant to the terms of this Declaration, the Articles, or the Bylaws, the person obligated to pay such fine shall further be obligated to pay to the Association reasonable attorneys' fees and any costs of collection incurred in connection therewith.

ARTICLE XV: Duration

The covenants and restrictions of this Declaration shall run with and bind the Property for a term of twenty (20) years from the date of this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless, prior to the expiration of the then current term, (a) a written instrument shall be executed by at least three-fourths (3/4) of the Members of the Association (representing at least three-fourths (3/4) of the votes of such membership) stating this Declaration, or any provisions hereof, shall expire at the end of the then current term, and (b) such written instrument is recorded among the Land Records for the jurisdiction in which this Declaration is recorded.

ARTICLE XVI: Amendment

Section 1. Amendment by the Association: Subject to the other limitations set forth in this Declaration, and except where permanent rights, easements, rights-of-way or the like are established in this Declaration, prior to the lapse and conversion of all of the Class B memberships in the Association to Class A memberships, as in Article IV provided, this Declaration may be amended only by an instrument executed and acknowledged by at least two-thirds (2/3) of the Class A Members of the Association, if nay, and by the Declarant, which instrument shall be recorded among the Land Records for the jurisdiction in which this Declaration is recorded. Subject to the other limitations set forth in this Declaration, and except where permanent rights, easements, rights-of-way or the like are established in this Declaration, following the lapse and conversion of all of the Class B Memberships in the Association, as in Article IV provided, this Declaration may be amended by an instrument approved by the affirmative vote of at least two-thirds (2/3) of the Members of the Association, executed and acknowledged by the person responsible for counting said votes and at least one other director and/or officer of the Board, which instrument shall be recorded among the Land Records for the jurisdiction in which this Declaration is recorded. Subject to the other limitations set forth in this Declaration, but notwithstanding anything contained in this article to the contrary, this Declaration may be amended for the purpose of bringing the same into conformity with the requirements of either the FNMA, the FHLMC, the VA, the FHA or any other governmental or quasi-governmental agency, by an instrument executed and acknowledged by a majority of the then Members of the Association, which instrument shall be recorded among the Land Records for the jurisdiction in which this Declaration is recorded. Unless a later date is specified in any such instrument, any amendment to this Declaration shall become effective on the date of recording.

Section 2. Amendments by the Declarant. Notwithstanding, and in addition to, any other provision of this Declaration, the Articles, the Bylaws and the Rules and Regulations, the Declarant shall have the right, and hereby reserves the sole right and authority, to be exercised in its sole discretion without the consent of any other person, at any time and from time to time while it owns any Class B Membership, if so required by FNMA, the FHLMC, the VA, the FHA

or any other governmental or quasi-governmental agency as a condition for loans to be made, insured, guaranteed, or purchased by that agency, to amend, modify or add to the provisions of this Declaration, and the other documents and instruments relating to the Association or the Property as need therefor be made. Such right also is reserved to comply with the requirements of any lender or title insurance company, provided such amendments, modification or additions made pursuant to the requirements of any lender or title insurance company do not adversely or materially affect the interests in the Property of the Owners or mortgagees of any Lots. Any such amendments, modifications of, or additions to this Declaration by the Declarant shall be effective on the date specified in the written instrument effecting the same, if any, or, if none, on such date as the instrument is recorded among the Land Records for the jurisdiction in which this Declaration is recorded.

ARTICLE XVII: Mortgagees' Rights

Section 1. **Consents.** Any other provision of this Declaration to the contrary notwithstanding, neither the Members, the Board, nor the Association shall by act or omission nor the Association shall by act or omission, take any of the following actions without the prior written consent and approval of the institutional holders of all first mortgages or record on Lots:

(a) abandon, partition, subdivide, encumber, sell or transfer any of the Common Areas or community 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 community 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 assessments or other obligations as provided for in this Declaration; or

(d) waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design, exterior appearance, or maintenance of improvements, (including without limitation, additions and alterations thereto) on the Lots

as provided for in this Declaration; or

(e) fail to maintain fire and extended coverage on insurable Common Areas on a current replacement costs basis in an amount not less than one hundred percent (100%) of the insurable value (bases on current replacement costs); or

(f) resolve to use the proceeds of casualty insurance on the Common Areas for any purpose other than the repair, replacement or reconstruction of the Common Areas and community facilities; or

(g) modify or amend any substantive provision of this Declaration which is material to the rights of such mortgagee; or

(h) terminate, dissolve, annual the corporation charter of or complete liquidate the Association.

Section 2. Special Agency Consents. If the FNMA is a mortgagee with respect to any Lot or if the VA or the FHA has insured any mortgage encumbering a Lot, neither the Members, the Board, nor the Association shall, by act of omission, take any of the actions specified in Section 1 of this article without the prior written consent and approval of the agency so concerned. As long as there is a Class B Membership, dedications of Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions, will require approval of the Federal Housing Administration or Veterans Administration.

Section 3. Notice of Contemplated Foreclosure Proceedings. No suit or other proceedings may be brought to foreclose any lien levied or established pursuant to this Declaration except after ten (10) days written notice to the holder of the first mortgage of record and the Lot which is the subject matter of such suit or proceeding.

Section 4. Right to Cure. Any institutional first mortgagee of any Lot upon the Property may pay any taxes, utility charges or other charge levied against the Common Areas and community facilities; and any such institutional first mortgagee may pay, for the benefit of the Association, any overdue premiums on any hazard insurance policy or secure new hazard insurance coverage on the lapse of any policy with respect to the Common Areas and community facilities. Upon demand thereto, any first mortgagee who advances any such payment shall be due any immediate reimbursement from the Association of the amount so advanced.

Section 5. Priority of First Mortgagees. No provisions of this Declaration, the Bylaws, or the Rules and Regulations shall be construed to grant to any Owner, or to any other party, any priority over any rights of first mortgagees of the Lots pursuant to their first mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of the Lots, or any portions thereof.

ARTICLE XVIII: General Provisions

Section 1. 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, with or without notice to the Association, subject to the Declarant's obligations hereunder.

Section 2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration, the Articles, the Bylaws, or the Rules and Regulations shall be deemed to have been properly sent when mailed, by ordinary mail, postpaid, to the last known

address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. Whenever any notice is required to be given under the provisions of this Declaration, the Articles, the Bylaws, or the Rules and Regulations, a written waiver thereof signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

Section 3. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as in acceptance for maintenance of any Common Areas or community facility by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Areas or community facilities. Notwithstanding this provision Declarant has the absolute right to convey common area property including real property to an appropriate governmental agency to satisfy governmental subdivision or development regulations.

Section 4. Construction. The provisions, covenants, conditions, restrictions, easements and reservations contained in this Declaration shall be governed and construed in accordance with the laws of the State of Maryland. Such provisions, covenants, conditions, restrictions, easements and reservations shall be liberally construed to effectuate the purposes of (a) allowing the Declarant to expeditiously develop the Property, construct dwellings on the Lots, and market and sell these dwellings and Lots to prospective Owners and (b) creating a uniform plan for the future operation of Zachia Manor, for the preservation of aesthetic and property values therein, and for the common welfare and enjoyment of all residents thereof.

Section 5. Captions and Gender. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male gender shall include all genders and the singular shall include the plural.

Section 6. Severability. All of the covenants, conditions, restrictions, easements and reservations contained in this Declaration are hereby declared to be severable and a finding by any court of competent jurisdictions that any of them or any clause or phrase thereof, is void, unlawful or unenforceable shall not affect the validity or enforceability of any other covenants, conditions, restrictions, easement, reservations, or clause or phrase thereof.

IN WITNESS WHEREOF the parties have executed this Declaration as of the date first written hereinabove.

ATTEST:

BRYANTOWN FARMS PARTNERSHIP
A General Partnership



By:

(seal)

STATE OF MARYLAND, CHARLES COUNTY:

I HEREBY CERTIFY that on this 12 day of July 1994, before me, the subscriber, a notary public in and for the jurisdiction aforesaid, personally appeared Andrew Coleurs, who is known to me (or satisfactorily proven) to be the person who signed the within instrument and said person made oath in due form of law that said person is BRYANTOWN FARMS PARTNERSHIP, a general partnership, and that, as such, said person is duly authorized to execute the within instrument for the purposes therein contained, and said person acknowledged that said person executed the same as the act and deed of said BRYANTOWN FARMS PARTNERSHIP.

AS WITNESS my hand and Notarial Seal:

Carel Jean Wayson
Notary Public

My commission expires:

May 1, 1995