

HOMEOWNER'S ASSOCIATION

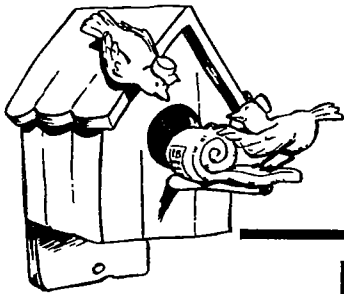
Rockingham
On Little Antietam Creek

Contents

Declaration of Protective Covenants, Conditions, & Restrictions

Articles of Incorporation - Rockingham Conservancy, Inc.

Bylaws - Rockingham Conservancy, Inc.



Declaration of Protective Covenants, Conditions, & Restrictions

Recording Information:

Recorded: August 15, 2000
Liber: 1591
Folio: 517

Phase I, Lots #1-35

Rockingham Subdivision

Protective Covenants, Conditions & Restrictions

THIS DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration"), is made this ___ day of August 2000, by VICTOR J. PEEKE, his successors and assigns (hereinafter sometimes referred to as the "Declarant").

I. INTRODUCTION

A. Term

These Covenants are to run with the land and shall be binding upon all parties and all persons until January 1, 2010, at which time each and all said covenants shall be automatically extended for successive periods of ten (10) years unless, by vote of a majority of the then Owners of the Lots covered by

these covenants, it is agreed to change the same in whole or in part; and an instrument setting forth said changes is duly executed and acknowledged by said majority of the then Owners and duly recorded among the land records for Washington County, Maryland.

B. Preamble

WHEREAS, the Declarant is the Owner of the real property which is more particularly described in Exhibit A (the "Property"), and desires to create and develop thereon a residential community with permanent Common Areas, which is more particularly described in Exhibit B (hereafter referred to as the "Park"); and

WHEREAS, the Declarant desires to provide for the preservation of the value and amenities of the Property and the improvements to be constructed thereon and for the maintenance of the Park and construction of community facilities; and to this end, desires to subject the Property to the covenants, conditions, restrictions, easements, reservations, charges and liens hereinafter set forth pursuant to a general plan of improvement for the benefit of all said Owners and subsequent Owners of residential properties located within the Property; and

WHEREAS, the Declarant desires to define the relationship of the community and to define the Park intended to be available for use by this community's members and to provide for a fair and equitable contribution from this community to assist in adequately maintaining the Park available for use; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an Association to which should be delegated and assigned the powers and duties of maintaining and administering the Park and Common Areas, administering and enforcing the within covenants, conditions, and restrictions and disbursing the charges and assessments hereinafter created; and

WHEREAS, the Declarant has formed or intends to form the Rockingham Conservancy, Inc., as a non-profit corporation without capital stock under the laws of the State of Maryland for the purpose of carrying out the powers and duties aforesaid;

CONTENTS

	Page	
I.	Introduction	1
	A. Term	1
	B. Preamble	1
	C. Purpose	2
	D. Definitions	2
II.	Membership	3
III.	Property Rights	4
IV.	Assessments	5
	A. Maintenance Assessments	5
	B. Payment of Assessments	7
V.	Architectural Review	9
VI.	Standards	11
	A. Architectural Standards	11
	B. Maintenance Standards	11
	C. Exterior Standards	
	1. Front Yard Permitted Uses	12
	2. Rear Yard Permitted Uses	12
	3. Other Permitted Uses	13
VII.	Use Restrictions	13
VIII.	Management	15
IX.	Declarant's Rights, Easements, and Right-of-Ways	16
X.	General Provisions	17
Appendix	A – Description of Property	22
	B – Description of Common Areas	27

NOW THEREFORE, the Declarant hereby declares that the Property is and shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, conditions, restrictions, uses, limitations, obligations, easements, assessments, equitable servitudes, reservations, charges and liens hereinafter set forth, all of which are declared and agreed to be in aid of a uniform plan of improvement and use of the Property and shall be deemed to run with and bind the land and shall inure to the benefit of and be enforceable by the Declarant, his successors and assigns and any person acquiring or owning an interest in said property and improvements, including without limitation, any person, group of persons, corporation, trust or other legal entity or any combination thereof, who holds such interest solely as security for the performance of an obligation.

C. Purpose

The covenants, conditions, restrictions, easements, reservations and charges set forth herein are hereby declared to insure the most appropriate development and improvement of each Lot and to protect the Owners against such improper use of surrounding Lots as might depreciate the value of their Lot; to preserve, so far as practicable, the mutual beauty of the Property; to guard against the erection thereon of poorly designed or proportioned improvements and improvements built of improper or unsuitable materials; to obtain harmonious color schemes; to insure the highest and best development and use of the Lots; to encourage and secure the erection and maintenance of attractive homes thereon, with appropriate locations thereof on Lots including the elevations thereof; to prevent haphazard and inharmonious improvements of Lots; to secure and maintain property setbacks from streets; and adequate free spaces between structures; and, in general, to provide adequately for the erection and maintenance of high type and quality of improvements in and thereby to enhance the value of investment made by Owners of Lots therein.

D. Definitions

(a.) **"Association"** shall mean and refer to the Rockingham Conservancy, Inc., its successors and assigns.

(b.) **"Common Areas"** shall mean and refer to all real property (hereinafter referred to as the "Common Areas" or "Park"), owned or leased by the Association or otherwise available to the Association

for the benefit, use and enjoyment of its members.

(c.) **"Control Committee"** shall mean the Declarant, his successors and assigns, who shall provide for the enforcement of these covenants, conditions, and restrictions including but not limited to the approval or disapproval of improvements to be constructed on the Lots and for the management and maintenance of the Park.

(d.) **"Covenants"** shall mean the covenants, conditions, restrictions, easements, reservations and charges described in this Declaration, which shall run with and bind the land in aid of a uniform plan of improvement and use of the Property.

(e.) **"Declarant"** or **"Developer"** or **"Grantor"** shall mean and refer to the Declarant hereinabove identified in the preamble to this Declaration and its successors and assigns provided, however, that the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant shall not inure to the benefit of or burden the successors and assigns of the Declarant except to the extent that any of the rights, reservations, easements, interests, exemptions, privileges or powers of the Declarant are specifically assigned or transferred to any such successor or assign by instrument in writing.

(f.) **"Development Plan"** shall mean the Preliminary Plan for Rockingham, including all amendments thereto as may be made from time to time. It is the intention of the Declarant to commit the entire Property described in Exhibits A and B to the terms and conditions of this Declaration. Nothing herein shall be construed to prevent the Declarant from making any revisions, modifications and/or substitutions to the above-described Preliminary Plat, which may be necessary and/or appropriate in the Declarant's sole discretion and it is acknowledged by each and every Owner that the Declarant shall be afforded full discretion to make any such revisions, modification and/or substitutions to the development of the Property. Each and every Owner, by acceptance of the deed or other instrument of conveyance for any Lot, expressly waives the principle of common scheme, with respect to the Property so long as the Property is developed for residential use.

(g.) **"Dwelling"** shall mean any building or portion of a building situated upon the Property and designed and intended for use and occupancy as a residence by a single person or family.

(h.) **"Eligible Mortgage Holder"** shall mean a holder of a first mortgage on a Lot who has requested notice from the Association or amendments to the Association documents or other significant matters which would affect the interests of the Mortgagee and who has provided the Association with an address to which such notice is to be delivered.

(i.) **"Improvements"** shall mean all alteration or additions of any kind and character which will be or is located upon a Lot, including without limitation, all buildings, fences, walls, structures, landscaping and swimming pools.

(j.) **"Lot"** shall mean any and all subdivided parcels or property (exclusive of the Park) which are part of the property.

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

(l.) **"Mortgagee"** as used herein, means the holder of any recorded mortgage or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. Mortgagee as used herein shall include deed of trust. **"First Mortgagee"** as used herein 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 mortgagee" or "institutional holder" and 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"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government, or of any state or municipal government. As used in this Declaration, the terms "holder" and "mortgagee" shall include the parties secured by any deed of trust or any beneficiary thereof.

(m.) **"Owner"** shall mean record Owner, whether one or more persons or entities, of a fee simple title to any Lot situated on the Property, including contract sellers, but excluding those having such interest in a Lot merely as security for the performance of an obligation.

(n.) **"Park"** shall mean that certain real property known as "Huck Finn Park" and as further

described in Exhibit B, which Common Areas shall be owned by the Association for the benefit, use and enjoyment of its members.

(o.) **"Property"** shall mean that certain property described on Exhibit A and such additions as may hereafter be subjected to this Declaration.

(p.) **"Single Family Lot"** shall mean those lots on which detached single family dwellings shall be erected, and shall mean and refer to each and every one of the Lots so designated and described in any Supplementary Declaration of Protective Covenants, Conditions, and Restrictions made by the Declarant or others pursuant to the provisions of this Article.

II. MEMBERSHIP

2.1. **Classes.** The Association shall have two classes of voting membership, which shall be known as "Class A" and "Class B", as follows:

Class A: Class A members shall be all Owners with the exception of the Declarant (with respect to any Lot for which the Declarant holds a Class B membership). Class A members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they 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 such Lot to the Lessee, provided that a copy of such instrument is furnished to the Association.

Class B: Initially, there shall be One Hundred Five (105) Class B memberships in the Association. This number shall be decreased by three (3) for each Class A membership existing at any one time. The Class B member(s) shall be the Declarant as defined herein. Class B member(s) shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to a Class A membership upon the happening of any of the following events, whichever occurs earliest:

(a.) thirty (30) days following the date on which the total authorized and

outstanding votes of the Class A members equals twenty-seven (27); or

(b.) seven (7) 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 seven (7) year period shall be extended by a period of time equal to the length of the delays or seven (7) years, whichever is less; or

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

Upon the lapse or surrender of all of the Class B memberships as provided for in this Article, the Declarant shall thereafter remain 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 this Article.

III. PROPERTY RIGHTS

3.1. Member's Right of Enjoyment. Every Member shall have a non-exclusive right and easement of enjoyment, in common with others, in and to the Common Areas and such non-exclusive right and easement shall be appurtenant to and shall pass with the fee title to every Lot subject to the following:

(a.) the right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Areas in a manner designed to promote the enjoyment and welfare of the members and in aid thereof, and with the consent of two-thirds (2/3) of each class of the then members of the Association, voting separately, to mortgage any of the Common Areas; and

(b.) 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; and

(c.) the right of the Association to adopt reasonable rules respecting use of the Common Areas to reasonably limit the number of guests of members to the use of any facilities which are developed upon the Property; and

(d.) the right of the Association to suspend the voting rights and the rights to use of the Common Areas for any period during which any assessment remains unpaid and for any infraction of any of the published rules and regulations of the Association; and

(e.) the right of the Association to dedicate or transfer all or any part of the Common Areas to the Town of Keedysville or any public or municipal agency, authority or utility for purposes consistent with the purpose of this Declaration and subject to such conditions as may be agreed to by the members; provided, however, that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless two-thirds (2/3) of each class of the then members of the Association consent to such dedication, transfer, purpose and conditions, at any special meeting of the members duly called for such purposes; and provided further, that any such dedications or transfer shall also be subject to the limitations provided for in this Declaration; and

(f.) the right of the Association, acting by and through its Board of Directors, to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility and cable television lines or appurtenances, whether public or private, to any municipal agency, public utility, cable television franchise, the Declarant or any other person; provided, however, that no such licenses, rights-of-way or easements shall be unreasonable and permanently inconsistent with the rights of the members to the use and enjoyment of the Common Areas; and

(g.) the right of Declarant (and its sales agents and representatives) to the non-exclusive use of the Common Areas for display and exhibit purposes, which right Declarant hereby reserves; provided, however, that such use shall not be for a

period of more than ten (10) years after the conveyance of the Common Areas to the Association, or the sale of all residential Lots within the Properties, whichever is earlier; provided, further, that no such use by the Declarant or its sales agents or representatives shall otherwise restrict the members in their use and enjoyment of the Common Areas or facilities thereon; and

(h.) the right of the Association, acting 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 Common Areas for such considerations and on such terms as the Board deems appropriate.

3.2. Delegation of Right of Use. Any Member of the Association may delegate his rights to the use and enjoyment of the Common Areas to the members of his family who reside permanently with him and to his tenants, contract-purchasers, invitees and guests, all subject to such reasonable rules and regulations which the Association may adopt and uniformly apply and enforce.

3.3. 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 the public streets and roadways for both vehicular and pedestrian ingress and egress to and for parking.

(b.) 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 the Common Areas for necessary, ordinary and reasonable pedestrian ingress and egress to and from his Lot or to suspend any easement over the Common Areas for storm water drainage, electrical energy, water, sanitary sewer, natural gas, cable service, telephone service, or similar utilities and services to the Lots.

IV. ASSESSMENTS

A. Maintenance Assessments

4.A.1. General Maintenance Assessment. Except as the assessment of the Declarant is limited by the provisions of Article IV.(B.) of this Declaration, each person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who becomes a fee Owner of a

Lot within the Property (i.e., each Class A Member of the Association), by acceptance of a deed, therefore, 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, in advance, an annual sum (herein elsewhere sometimes referred to as a "general assessment" or "maintenance assessment") equal to the member's proportionate share of the sum required by the Association, as estimated by its Board of Directors, to meet its annual expenses, including but in no way limited to the following costs:

(a.) cost of all operating expenses of the Common Areas and the services furnished to or in connection with the Common Areas and including charges by the Association for any services furnished by it; and

(b.) cost of necessary management and administration of the Common Areas including fees paid to any Management Agent; and

(c.) amount of all taxes and assessments levied against the Common Areas; and

(d.) cost of liability insurance on the Common Areas and the cost of such other insurance as the Association may effect with respect to the Common Areas; and

(e.) cost of utilities and other services which may be provided by the Association, whether for the Common Areas or for the Lots, or both including but not limited to the cost of snow removal until the town of Keedysville accepts the road; and

(f.) cost of maintaining, replacing, repairing, and landscaping the Common Areas; including, without limitation, the cost of the maintenance of all pathways upon the Property, if any, together with such equipment as the Board of Directors shall determine to be necessary and proper in connection therewith; and

(g.) cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for replacement.

The Board of Directors shall determine the amount of the maintenance assessment annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board of Directors, installments of annual assessments may be levied and collected on a monthly, semi-annual, or annual basis rather than on

the annual basis hereinabove provided for. Any Class A Member may prepay one or more installments on any annual maintenance assessment levied by the Association, without premium or penalty.

The Board of Directors shall prepare, or cause the preparation of an annual operating budget for the Association, which shall provide, without limitation, for the management, operation and maintenance of the Common Areas as defined herein. The Board of Directors of the Association shall make reasonable efforts to fix the amount of the annual maintenance assessment against each Lot for each assessment period at least thirty (30) days in advance of the beginning of each period and shall, at that time, prepare a roster of the Lots and the annual maintenance 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 maintenance assessments shall thereupon be sent to the Class A members. The omission by the Board of Directors, before the expiration of any assessment period, to fix the amount of the annual maintenance 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 Class A Member from the obligation to pay the annual maintenance assessment, or any installment thereof, for that or any subsequent assessment period; but the annual maintenance assessment fixed from the preceding period shall continue until a new maintenance assessment is fixed. No Class A Member may exempt himself from liability for maintenance assessment by abandonment of any Lot belonging to him or by the abandonment of his right to the use and enjoyment of the Common Areas.

This Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the dwelling or their appurtenances and the responsibility and duties of the Association for maintenance and repairs shall be limited to the Common Areas. The Owner of any Lot shall, at his own expense, maintain his Lot and dwelling and any and all appurtenances thereto, in good order, condition and repair and in a clean, sightly and sanitary condition at all times.

4.A.2. Special Maintenance Assessments. In addition to the regular maintenance assessments authorized by this Article, the Association may levy in any assessment year, a

special maintenance assessment or assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, extraordinary repair or replacement of a described capital improvement located upon, or forming a part of the Common Areas, including the necessary fixtures and personal property related thereto, or for such other purposes as the Board of Directors may consider appropriate; provided, however, that any such assessment shall have the assent of the members representing a majority of the then Class A members of the Association and two-thirds (2/3) of the then Class B members of the Association. A meeting of the members shall be duly called for this purpose.

4.A.3. Reserve Fund Budget and Contribution. The Board of Directors shall annually prepare a reserve fund budget which shall take into account the number and nature of replaceable assets of the Association, the expected life of each asset and the required reserve fund contribution, if any, in an amount sufficient to meet the projected 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 shall be fixed by the Board of Directors and included within the budget and assessment, as provided in Section 4.A.1 of this Article. Such reserve fund contribution shall be payable as part of the (1) general assessment, applicable to all Lots, to the extent such reserve fund will be utilized to replace assets which are determined by the Board of Directors to benefit substantially all Owners. A copy of the reserve fund budget shall be distributed to each Owner in the same manner as the operating budget.

4.A.4. Maximum Annual Maintenance Assessments. The initial maximum annual maintenance assessment for each of the Lots to which Class A membership is appurtenant shall not exceed the sum of One Hundred Fifty Dollars (\$150.00) per annum. Except as assessment of the Declarant is limited by the provisions of this Declaration, the annual maintenance assessment shall be levied at a uniform rate for each Lot to which Class A membership is appurtenant.

4.A.5. Increase in Maximum Annual Maintenance Assessment.

(a.) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual maintenance assessment for all Class A memberships

hereinabove provided for, may be increased by the Board of Directors of the Association, without a vote of the Class A membership, by an amount equal to ten percent (10%) of the maximum annual assessment for the preceding year plus the amount by which the prevailing Consumer Price Index shall have increased above the level prevailing as of the date of the recording of this Declaration, plus the amount by which any *ad valorem* real estate taxes and casualty and other insurance premiums payable by the Association have increased over amounts payable for the same or similar items for the previous year.

(b.) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual maintenance assessment for all Class A memberships hereinabove provided for, may be increased above that established by the preceding paragraph by a vote of the members, as hereinafter provided, for the next succeeding year, and thereafter, at the end of such year, for each succeeding year. Any change made pursuant to this paragraph shall have the assent of a majority of the then Class A members of the Association, and two-thirds (2/3) of the then Class B members of the Association. A meeting of the members shall be duly called for this purpose.

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

4.A.6. Notice and Quorum for any Action Authorized Under Sections 4.A.2 and 4.A.5.

Written notice of any meeting called for the purpose of taking any action authorized under Sections 4.A.2 or 4.A.5 shall be sent to all members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

B. Payment of Assessments

4.B.1. Non-Payment 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 and the cost 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 Owner, his heirs, devisees, personal representatives and assigns to the extent permitted by law. The personal obligation of the Member to pay such assessment shall, in addition, remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any assessment levied pursuant to this Declaration, or any installment thereof, may be maintained without foreclosing or waiving the lien herein created to secure the same.

If, pursuant to this Declaration, the assessment levied, or any installment thereof, is not paid within fifteen (15) days after the due date, the assessment shall be subject to a late charge of fifteen dollars (\$15.00) or ten percent (10%) of the total amount due, whichever is greater. Upon resolution of the Board of Directors, the assessment may bear interest at a rate not to exceed the maximum legal rate permitted from time to time in the State of Maryland, and the Association may bring an action at law against the Member personally obligated to pay the same, or foreclose on the lien against the Lot or Lots then belonging to said Member in the manner provided in the Maryland Contract Lien Act, or as may otherwise from time to time be provided by law, in either of which events interest, costs and reasonable attorneys' fees claimed shall be added to the amount of each assessment.

If requested in writing to do so by a mortgagee, 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 sixty (60) 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.

4.B.2. Assessment Certificates. The Association shall upon demand at any time furnish to any 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 statute 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.

4.B.3. Acceleration of Installments. If the Board of Directors resolves to collect the maintenance assessment on a monthly or semi-annual basis, upon default in the payment of any one or more monthly installment of any assessment levied pursuant to his Declaration, or any other installment thereof, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

4.B.4. Priority of Lien. The lien established by this Declaration shall have preference over any other assessments, liens, judgments 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 maintenance assessments provided for in this Declaration or duly recorded on said Lot after receipt of a written statement from the Board of Directors reflecting that payments on account of any such assessments were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance.

Notwithstanding any other provision of this Declaration to the contrary, 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 deed or trust, mortgage or other encumbrance duly recorded on such Lot and made in good faith and for value received and shall in no way affect the rights of the holder of any such deed of trust, mortgage or other encumbrance; 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 deed of trust, mortgage or other encumbrance, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure.

Any holder of any deed of trust, mortgage or

other encumbrance duly recorded on the Lot and made in good faith and for value received who comes into possession of the Lot pursuant to a foreclosure of such deed of trust, mortgage or other encumbrance, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any other purchaser at a foreclosure sale, shall take the Lot free of any claims for unpaid maintenance assessments levied against the Lot which accrue prior to the foreclosure sale. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not, however, relieve the purchaser at any foreclosure sale from any liability for any maintenance assessments thereafter becoming due, or from the lien herein created to secure the payment of such maintenance assessments, which said lien, if any 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 of 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.

The Board of Directors may, in its sole and absolute discretion, extend the provisions of this Section to the holders of mortgages (of the indebtedness secured thereby) not otherwise entitled thereto.

4.B.5. Additional Default. Any recorded first mortgage secured on a Lot in the Property shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to this Declaration, or any installment thereof, shall likewise be a default in such mortgage (or the indebtedness secured thereby), but failure to include such a provision in any such mortgage shall not affect the validity or priority thereof and the protection extended to the holder of such mortgage (or the indebtedness secured thereby) by reason of Section 4 of this Article shall not be altered, modified or dismissed by reason of such failure.

4.B.6. Commencement of Annual Assessment. Except as may be otherwise resolved by the Board of Directors of the Association, the annual maintenance assessment for each Class A membership shall commence on the date a deed for the Lot to which such Class A membership is appurtenant is delivered by the Declarant to the Member. The first annual maintenance assessment shall be pro-rated as of the date on which a deed for

the Lot is delivered to the Member through December 31 of the same year and shall become due and payable at settlement. Except as herein elsewhere provided, the annual assessment for any Lot after the initial annual installment shall become due and payable and a lien on January 1 of each year.

4.B.7. Assessment of Declarant. The Declarant shall pay the full maximum assessments for lots owned by Declarant, which have been improved with a completed dwelling, provided such completed dwellings are occupied, whether as a model home, a sales office, or otherwise.

4.B.8. Exempt Property. No portion of the Common Areas shall be subject to assessment of any kind by the Association.

V. ARCHITECTURAL REVIEW

5.1. Architectural and Environmental Review Committee. Except for construction or development by, for or under contract with the Declarant, and except for any improvements to any Lot or to the Common Areas accomplished by the Declarant concurrently with said construction and development, and except for purposes of proper maintenance and repair, no building, fence, wall, ramp, driveway, walkway or other improvements or structures shall be commenced, directed, placed, moved, altered or maintained upon the Property, nor shall any exterior addition to or change (including any change of color) or other alteration thereupon be made until the complete plans and specifications showing the location, nature, shape, height, material, color, type of construction and any other proposed form of change (including, without limitation, any other information specified by the Architectural and Environmental Review Committee) shall have been submitted to and approved in writing as to harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the community by the Board of Directors of the Association or by an Architectural and Environmental Review Committee appointed by the Board of Directors.

Subject to the same limitations as hereinabove provided for, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, shutters, awnings, patio covers, fences, wall, slabs, decks, sidewalks, curbs, gutters, patios, balconies, porches, driveways, or to make any change or otherwise alter (including any alteration in

color), in any manner whatsoever, the exterior of any improvements constructed upon any Lot or upon any of the Common Areas, or to combine or otherwise join two (2) or more dwellings, or to partition the same after combination, or to remove or alter any windows or exterior doors of any dwelling, until the complete plans and specifications, showing the location, nature, shape, heights, material, color, type of construction and any other proposed form of change (including, without limitation, any other information specified by the Board of Directors or the Architectural and Environmental Review Committee) shall have been submitted to and approved in writing as to harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the community by the Board of Directors or the Architectural and Environmental Review Committee appointed by the Board of Directors.

All of the responsibilities and duties herein delegated to the Architectural and Environmental Review Committee shall be carried out by the Board of Directors of the Association, unless and until the Board appoints such a committee. References hereinafter to the Architectural and Environmental Review Committee shall apply with equal force to the Board of Directors acting in the capacity of such a committee.

5.2. Architectural and Environmental Review Committee - Operation. As stated above, the Board of Directors will appoint an Architectural and Environmental Review Committee. The Architectural and Environmental Review Committee shall be composed of three (3) or more natural persons. The affirmative vote of a majority of the members of the Architectural and Environmental Review Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article. Said Committee may from time to time delegate its ministerial and policing functions to the Managing Agent.

5.3. Approvals. Upon approval by the Architectural and Environmental Review Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specification, as approved, shall be deposited among the permanent records of such Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the

Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within (60) days after such plans and specifications (and all other materials and information required by the Architectural and Environmental Review Committee) have been submitted to it in writing, then approval will not be required and this Article will be deemed to have been fully complied with.

Design approval by the Architectural and Environmental Review Committee 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 Architectural and Environmental Review Committee shall have the right to charge a reasonable fee for reviewing such application. Any such 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 may be required to be restored to the original condition at the Owner's cost and expense.

5.4. Limitations. Construction or alterations in accordance with plans and specification approved by the Architectural and Environmental Review Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date on which the same are approved by the Committee (whether by affirmative actions or by forbearance from action, as in Section 5.3 of this Article provided), and shall be substantially completed within six (6) months following the date of commencement, or within such period as the 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 Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall, again, be required. There shall be no deviation from the plans and specifications approved by the Committee without the prior consent in writing of the Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Committee to disapprove thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

5.5. Certificate of Compliance. Upon the completion of any construction or alterations or other improvements or structure in accordance with plans and specifications approved by the Architectural and Environmental Review Committee in accordance with

the provisions of this Article, the Architectural and Environmental Review Committee shall, at the request of the Owners 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 Architectural and Environmental Review Committee and this Article and with such other provisions and requirements of the Declarations as may be necessary.

5.6. Rules and Regulations. The Architectural and Environmental Review Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specification to be suitable 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, set-backs, materials or other matters relative to architectural control and the protection of the environment, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision of requirement of this Declaration. The Architectural and Environmental Review Committee 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. The decisions of the Architectural and Environmental Review Committee shall be final except that any Member who is aggrieved by any action or forbearance from action by the Committee (or by any policy, standards or guidelines established by the Committee) may appeal said decision of the Architectural and Environmental Review Committee to the Board of Directors and, upon the request of such member, shall be entitled to a hearing before the Board of Directors of the Association as hereinafter provided.

5.7. Appeals. Any Member dissatisfied with a decision of the Architectural and Environmental Review Committee may, within fifteen (15) days after the rendering of such decision, make an appeal thereof to the Board of Directors. Not less than fifteen (15), nor more than sixty (60), days after the noting of such appeal, the Board of Directors shall conduct a hearing thereon. Within fifteen (15) days of such hearing, the Board of Directors may affirm, reverse, modify or remand the decision appealed. Two-thirds (2/3) of the Board of Directors shall be required to reverse a decision of the Architectural and Environmental Review Committee. The Board of Directors is hereby authorized and empowered to

promulgate reasonable rules of procedure for the conduct of such appeals and hearings. In the event that the Board of Directors, itself, acts in the capacity of the Architectural and Environmental Review Committee, no such right of appeal will exist.

5.8. **Leasing.** Any lease agreement between a Lot Owner and a lessee shall provide that the terms of the lease are subject in all respects to the provisions of this Declaration, and the Articles of Incorporation and Bylaws of the Association, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All such lease shall be in writing and a copy of these shall be filed with the Board of Directors.

VI. STANDARDS

A. Architectural Standards

6.A.1. **General.** As stated above, no building, fence, wall or structures of any kind shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing location of the structure or wall as conforming with the approved plat have been approved by the Architectural and Environmental Review Committee as to quality of workmanship and materials, harmony of external design with existing structures and as to location with respect to topography and finish grade elevation and other requirements contained herein. The construction of same, once commenced, shall not take longer than six (6) months to complete the exterior work and general landscaping. In addition to all other covenants contained herein, the Property and each Lot therein is subject to the following:

6.A.2. **Additions.** All buildings, exterior additions, or other structures shall be erected and maintained in harmony with the external design and location in relation to surrounding structures and topography and conformity with the design concept for the Property as outlined below.

6.A.3. **Single-Family Residence.** The Lots and any building or structure now or hereafter erected on a Lot shall be occupied and used for or incidental to a single-family residence purposes only, and no building shall be erected, altered, placed, or permitted to remain on any Lot other than one detached single family dwelling house not to exceed two (2) stories in height.

6.A.4. **Dwelling Size.** The finished living area of the main structure, exclusive of basement, patio,

porch, garage, and loft (whether finished or unfinished), shall not be less than one thousand (1,000) square feet for a one story dwelling, or less than one thousand four hundred (1,400) square feet for a split level, split foyer, or more than one story dwelling.

6.A.5. **Building Restrictions Lines.** No building shall be erected or located on any Lot nearer to the front Lot line, rear Lot line, or nearer to the side street line than the minimum building setback lines shown on the plat.

6.A.6. **Garages.** All residences must have at a minimum a one-car garage and at a maximum a two-car garage which must be attached to the residential dwelling.

6.A.7. **Foundations.** All exposed exterior foundation and/or basement walls shall have brick; stone; poured foundation walls with a brick pattern which shall be painted to match the siding color of the house; or block parged and also painted to match siding color.

6.A.8. **Asphalt Driveways.** All driveways must be blacktop.

6.A.9. **Fire.** Any dwelling, garage, or accessory building on any Lot in the Subdivision, which shall be destroyed in whole or in part by fire, windstorm or for any other cause or act of God, must be rebuilt or all debris removed and the Lot restored to a slightly condition with reasonable promptness, provided, however, that in no event shall such debris remain longer than sixty (60) days.

B. Maintenance Standards

6.B.1. **House Maintenance.** The exterior of each residence shall be kept in good order and repair including, but not limited to, replacement of broken windows, burned out light bulbs, painting of exterior surfaces as necessary, etc.

6.B.2. **Lawn and Landscaping Maintenance.** Each Lot and the structure thereon shall be kept in good order and repair and free of debris. Lawns shall be seeded and mowed, gardens weeded, shrubbery trimmed and painted exterior surfaces painted, all in a manner and with such frequency as is consistent with good property management. Owners may cut down any tree that is diseased or constitutes a hazard on any unit; provided, however, a new tree shall be planted and maintained to replace any trees which are cut down. No trees or shrubs shall be

located on any Lot which block the view of operators of motor vehicles on subdivision roads so as to create a traffic hazard.

6.B.3. Trash Removal. No lumber materials, brick, block, sand, or other bulk materials (except firewood in small amounts for personal use on the property, which may be neatly stacked in the rear yard), refuse, or trash shall be kept, stored, or allowed to accumulate on any Lot except building materials during the course of construction. Trash, garbage, or other waste shall be kept in sanitary containers and such shall not be permitted to remain in public view except on days of scheduled trash collection. All containers or equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No dumping of trash, toxic materials, or garbage on any Lot is permitted. No incinerator shall be kept or maintained upon any Lot.

6.B.4. Easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

C. Exterior Standards

1. Front Yard Permitted Uses

6.C.1.a. General. The front yards of any dwelling shall be considered to be that portion from the front wall of the dwelling forward to the right-of-way of the public road upon which the dwelling fronts. Front yards are for lawn and landscape purposes only and are to be in aesthetic harmony with the residential development and consistent with as such the following permitted uses. Please note that for the purposes of this Declaration, the side yards are considered the same as the rear yard.

6.C.1.b. Fences. Attractive fencing not to exceed 36" in height are permitted as follows: wrought iron, picket, two-rail split rail, two-board post-and-rail fences. Fence color is to be white or natural, wrought iron may be black. The fence may be made of wood, vinyl or iron. No wire, chain link, metal, stockade, or any similar type fencing is allowed.

6.C.1.c. Gardens. Herb and flower gardens are permitted provided that they are weeded and properly maintained.

6.C.1.d. Gates. Gate openings are permitted not to exceed four (4) feet in width and to

be used only in conjunction with fencing of similar type, color, material, as the front yard fencing. The gate may have an enclosed overhead arch and side trellises.

6.C.1.e. Lighting. Lamp post(s), porch lighting, landscape accent lighting, holiday lighting and safety lighting for walkways and driveways are permitted.

6.C.1.f. Mailboxes and Paper Delivery. Mail and paper delivery boxes are to be like color, size, design and lettering as those originally installed by the Developer.

6.C.1.g. Signage. No sign of any kind shall be placed or maintained on any part of the property or on any structure except for the following which will be permitted: (a) dwelling address, (b) occupant's name and (c) one sign advertising the Lot for sale or rent, provided that these signs do not exceed four (4) square feet.

6.C.1.h. Landscaping. Within one growing season after construction of any structure or improvements to a Lot, the entire Lot shall be landscaped with suitable grass and shrubs in order to create a neat, orderly and pleasing appearance. All Lots are to be mowed regularly throughout the growing season, whether the Lot is improved or unimproved.

6.C.1.i. Artificial, Exterior Sculpture, Walls, Water Fountains and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the properties. The Architectural and Environmental Review Committee must approve all exterior sculptures, walls, fountains, flags and similar items in accordance with Sections VI. and VII.

6.C.1.j. Tanks. Fuel, oil, gas, propane, or similar tanks may be installed in the front yard provided that they are buried under ground and comply with town, county, and state requirements.

2. Rear Yard Permitted Uses

6.C.2.a. General. The "rear yard" of any dwelling shall be considered to be that portion from the front wall of the dwelling to the rear end of the property line. All uses listed in Section 6.C.1 for the front yard are permitted in the rear yard. In addition, the following are also permissible in the rear yard only: swimming pools, vegetable gardens, storage and garden sheds, playground and yard equipment, satellite dishes, fences, antennas, tanks, barbecue

pits, animals, dog houses, clotheslines, garden and lawn furniture, boats and recreational vehicles, subject to Section VII.

6.C.2.b. **General Storage.** All permitted personal property, including but not limited to garbage containers, grills, bicycles, toys, yard equipment, lawn mowers and all other household personal property shall be stored within any permitted residence or other permitted outbuilding.

6.C.2.c. **Fences.** Fences are permitted on the back lawn or back yard of any Lot provided such fence does not exceed six (6) feet in height. Chain link, American wire and barbed wire fences are strictly prohibited. Any fence placed perpendicular to the foundation shall not exceed six (6) feet in height. For purposes of animal control, thin gauge, vinyl-coated wiring may be attached to post-and-rail or split-rail fencing in the rear yard.

6.C.2.d. **Sheds.** Small tool and lawn sheds (not to exceed 200 square feet and only one story) may be placed in the rear yard. Wood, wood siding, vinyl, stone, or brick sheds are permitted and must be approved by the Declarant. Sheds shall not be metal or aluminum. Shed roofs shall be asphalt shingles or cedar shake.

6.C.2.e. **Swimming Pools.** Above-ground pools are permissible provided that the pool is screened in as well as possible. In-ground pools of all types are permitted in the rear yard.

6.C.2.f. **Satellite Dishes.** Satellite dishes are to be located in the rear yards or mounted on the house or shed only and cannot exceed two (2) feet in diameter.

6.C.2.g. **Tanks.** Fuel, oil, gas propane or similar tanks are permitted above ground and must be fully screened from any Lot or street.

6.C.2.h. **Clotheslines.** Clotheslines are permitted but must be shielded from view as well as possible and is to be maintained in a good and orderly manner.

3. Other Permitted Uses

6.C.3.a. **Roof and House Facade.** The following are permissible on the roof and house facade: television antenna, cupola, weather vane, flower boxes, and bird houses.

6.C.3.b. **Front Porch.** The following are permissible on the front porch: flower boxes, bird houses, porch swing and porch furniture.

6.C.3.c. **Garage.** The garage may be used for minor car maintenance and repairs, storage of trash receptacles, garden equipment, bicycles, sporting equipment, boats, trailers, cars, and similar items. Garage doors to be kept closed when not in use.

6.C.3.d. **Driveway.** Permissible uses of the driveway include parking of vehicles (subject to the provisions in Section VII), car washing, and basketball play equipment.

6.C.3.e. **Parking.** Except for temporary and unusual irregular overflow parking of cars from the garage and driveway of any Unit, no parking shall be permitted on any street or road within the Properties. Subject to the provisions in Section VII, a recreational vehicle, boat, boat trailer, or motor home may be parked on the driveway of a property for a period of not to exceed two (2) consecutive days for the sole purpose of preparing the vehicle for a trip.

6.C.3.f. **Playground.** Any playground or other play areas or equipment furnished by the Association or erected within the Properties shall be used at the risk of the user, and the Association shall not be held liable to any Person for the claim, damage, or injury occurring thereon or related to use thereof.

6.C.3.g. **Community Rules.** There shall be no violation of any rules for the use of the Common Areas or community rules and regulations not consistent 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.

VII. USE RESTRICTIONS

7.1. **General.** Except for the activities of the Declarant, its successors or assigns, the following are non-permitted and/or restrictive uses.

7.2. **Pets.** Only common domestic house pets shall be allowed on the property or the improvements thereon, provided that (a) the aggregate number of dogs and cats does not exceed four per household; (b) the aggregate number of

dogs does not exceed three per household; and (c) these animals are not kept or bred for any commercial purpose. Pets shall not be allowed to roam at large, and pets shall not be housed, fenced or otherwise maintained on a regular basis outside of the primary dwelling. Pets are permitted for periods of short duration and during daylight hours to run at large within any permitted fenced yard.

Kennels, dog runs, dog houses, and others similar pet facilities are prohibited. No farm animals, livestock, or poultry of any kind shall be kept, maintained or in any way allowed on any dwelling. The Homeowners Association shall have absolute authority to prohibit unusual or exotic animals, birds, vampires, or reptiles from being kept on a dwelling or in an improvement located thereon, and shall have the authority to prohibit or regulate loud, noisy, and/or viscous pets that have had more than one biting incident.

7.3. Firearms. No discharging of firearms or hunting bows shall be permitted.

7.4. Nuisance. No noxious, illegal, hazardous, dangerous or offensive use, construction or activity shall be conducted on any property, nor shall anything be done thereon which may be or become an annoyance or nuisance to the owners, tenants or occupants of other dwellings within or adjacent to the property by reason of unsightliness, or the excessive emission of fumes, odors, glare, excessive heat, vibration, gases, vapors, chemicals, radiation, dust, liquid waste, smoke, noise (including but not limited to excessive barking of dogs). No property shall be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such property to appear in an unclear or untidy condition or that will be obnoxious to the eye.

7.5. Vehicles. No house trailers or recreational vehicles, campers or boats (more than 20 feet in length), large machinery, large trucks (over 3/4 ton carrying capacity), box vans, junk cars, cars for sale, inoperative cars or machinery, buses, or any other unsightly or obnoxious things visible to persons of the Lot shall be allowed on any Lot. Commercial vehicles in regular use, cars or trucks, as long as trucks are not greater than 3/4 ton or box vans with or without lettering on the vehicle are permitted on the Lot or adjoining streets if vehicle is provided to Lot Owner for use as transportation to and from a workplace. Boats of 20 feet or less in length and "pop-up" style campers (no taller than 6 feet) are permitted as long as they are garaged with the

garage door(s) closed or hidden from view by solid board fencing and stored in rear yards only. No snow mobiles, dirt bikes, three-wheelers, four-wheelers or similar off-road sports vehicles shall be operated on the Property or Common Areas.

7.6. Unregistered Vehicles. No motor vehicles of any kind without current registration shall be kept, maintained or parked in the open. No junked or wrecked automobiles or other equipment shall be allowed to be stored on any property at any time unless it is garaged with the garage door(s) closed and not visible from adjacent properties.

7.7. Temporary Structures. No structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel, run, stable, outdoor clothes dryer or other buildings shall be erected, used or maintained on any Lot at any time. This section is not intended to prevent the erection and use of well maintained sheds or playhouses.

7.8. Fire. No fires of any kind shall be lit where a hazard to adjoining properties or woodland exists.

7.9. Resubdivision. None of the numbered Lots in Rockingham shall be further subdivided, except that the Declarant reserves the right and privilege to further subdivide or re-subdivide any Lots owned by the Declarant for the purpose of consolidating or enlarging one or more of said Lots or for readjustment of property lines.

7.10. Proprietary Use of Common Areas. No Member shall make any private or exclusive or proprietary use of any of the Common Areas except with the specific approval of the Architectural and Environmental Committee and, then, only 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.

7.11. Maintenance Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the Record Plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of the flow of drainage channels in the easements, or which may

retard the flow of water through channels in the easement areas.

VIII. MANAGEMENT

8.1. **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. The Management Agent shall perform such duties and services as the Board of Directors shall authorize in writing, including without limitations:

(a.) to establish (with the approval of the Board of Directors of the Association) and to 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 law and the provisions of this Declaration; and

(b.) to provide for the care, upkeep, maintenance and surveillance of the Common Areas; and

(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

(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 Areas; and

(e.) to provide such other services (including legal and accounting services) for the Association as may be consistent with the law and the provisions of this Declaration.

8.2. **Duration of Management Agreement.**

Any management agreement entered into by the Association shall provide that such agreement may be terminated, with or without cause and without the payment of any termination fee, 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-year periods.

8.3. **Limitation of Liability.** The Association shall not be liable for the 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(s) or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Areas, or from any wire, pipe, drained, conduit or the like.

The Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Areas. 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, 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.

8.4. **Self-Management.** If the standards and regulation of FHMA and/or FHLMC prohibit self-management by the Association and FHMA and/or FHLMC holds an interest in a first mortgage or deed of trust against any of the Lots, then no such self-management 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 this 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, 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 or VA, as the circumstances may require.

IX. DECLARANT'S RIGHTS, EASEMENTS, AND RIGHT-OF-WAYS

9.1. **Modifications.** Declarant in his sole discretion as to Lots owned by the Declarant, reserves the right to restrict, move or otherwise modify the location, access and rights-of-way as shown on the Record Plat or to reconfigure to provide utility and street access to other adjoining lands.

9.2. **Amendment.** For a period of seven (7) years after the recording of this Declaration, the Declarant, successors, or assigns may make any amendment unilaterally which is required by the federal mortgage agencies, the State of Maryland, County of Washington, or Town of Keedysville. as a condition of approval of the documents by the execution and recordation of such amendment following registered notice to all owners.

9.3. **Future Phases.** The Declarant, his successors or assigns reserves the right to develop future phases which will make use of the roadways and utilities within Phase I herein. This right shall exist for the Declarant perpetually and shall remain in effect regardless of whether the Homeowner's Association is operationable.

Declarant, his successors or assigns further reserves the right to restrict, move, or otherwise modify in its sole discretion, the location, access and right-of-ways as shown on the record Plat or to reconfigure Lots or Common Areas to provide utility and street access to other adjoining lands for development and expansion. The Declarant also reserves the right to create easements in and over the Common Areas and other lots owned by Declarant for the use and benefit of future phases.

9.4. **Additions to Protective Covenants, Conditions and Restrictions.** The Declarant, his successors or assigns reserves the right to amend, delete, or add to these covenants and restrictions on an individual basis pursuant to individual Purchaser requests and requirements. Such amendments in accordance with this section will be accomplished by specific language in the individual's deeds or by supplementing these covenants and restrictions by separate recorded instruments.

9.5. **Signage.** The signage of the Declarant, builder, or their designated agent is exempt from any size or other signage restrictions.

9.6. **Easement for Access.** The Declarant reserves a perpetual and non-exclusive easement or right-of-way for ingress, egress and access of all kinds over and across all of the Common Areas and general and exclusive Common Areas of the properties to and from all points within the properties for all purposes. The Declarant furthermore reserves the absolute right to grant easements for ingress and egress and access over all private streets within the properties, subject to such rules and regulations as may be promulgated by the Board of Directors.

9.7. **Utility Easements.** The Declarant, his successors or assigns and the Association is authorized and empowered to grant (and shall from time to time grant) such other licenses, easements and rights-of-ways over the Common Areas for sewer lines, water lines, electrical cables, telephone cables, gas drains, cables, underground conduits and such other purposes related to the provision of utility and similar services to the land and premises described herein or attached to this Declaration as may be considered necessary and appropriate by the Board of Directors of the Association or by the Declarant to ensure the orderly maintenance, preservation and enjoyment of the Common Areas and for the preservation of health, safety, convenience and welfare of the Members of the Association.

9.8. **County/Town Easement.** The Declarant hereby grants to Washington County, Maryland, and/or the Town of Keedysville, a municipal body corporate, its agents and contractors, a non-exclusive easement and right-of-way in, through, over, and across the Common Areas for all purposes reasonably associated with the inspection, operation, installation, construction, reconstruction, maintenance or repair of any storm water management facilities constructed upon the property.

9.9. **Declarant's Easements to Correct Drainage.** For a period of seven (7) years from the date of submission of each Lot to this Declaration, the Declarant reserves an easement and right on, over, and under the ground within each Lot to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety, and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, to perform any grading of the land, or to take any other similar action reasonably necessary, following which the Declarant shall restore the affected property to its original condition as nearly as is practicable. The Declarant shall give reasonable notice of intent to take such action to all affected

owners, unless in the opinion of the Declarant an emergency exists which precludes such notice.

9.10. Construction Easements and Rights. Notwithstanding any provision of this Declaration or of any Supplementary Declaration, so long as the Declarant or Builders are engaged in developing or improving any portion of the Properties, the Declarant and Builders and their employees, agents, and/or assigns shall have an easement of ingress, egress and use over any portion of the Properties not conveyed as a Lot to an Owner for occupancy for (1) movement and storage of building materials and equipment, (2) erection and maintenance of directional and promotional signs, and (3) conduct of sales activities, including maintenance of model living units. Such easement shall be subject to such rules as may be established by the Declarant to maintain reasonable standards of safety, cleanliness, and general appearance of the Properties.

9.11. Easement to Inspect. An easement is reserved for the Declarant for ingress and egress on any Lot(s) to inspect such property for alleged violations of the Governing Documents, based on normal, written complaints, and/or compliance with architectural standards and/or approved plans for alterations and improvements, and (b) to perform such maintenance as is required by this Declaration or the Supplementary Declaration for such Lot, provided the Owner of such Lot is given written notice of the purpose and time of inspection at least three (3) days in advance thereof and such inspection is performed during reasonable hours.

9.12. Easement for Governmental Personnel. The Declarant hereby reserves the absolute right to grant easements and rights-of-ways, both temporary and permanent, over the Common Areas to any and all governmental or quasi-governmental authorities and to any and all public utilities including, without limitation, Washington County, Town of Keedysville, Maryland, the electric company, the gas company, and the telephone company serving this area.

9.13. Right-of-Way. All Lots are and shall be conveyed subject to utility easements or utility rights-of-way existing at the time of conveyance and further, each Lot owner hereby covenants that said owner will grant such additional easements or rights-of-way for utilities as may be suitable to serve his Lot and other Lots within the subdivision, provided that such easements or rights-of-way do not reasonably detract from the economic worth of his

Lot and improvements thereon. All utilities are to be underground.

X. GENERAL PROVISIONS

10.1 Amendment. Subject to the other limitations set forth in this Declaration, prior to the lapse of all of the Class B memberships in the Association, as provided in Article II, this Declaration may be amended only with the consent of two-thirds (2/3) of the Class A Members of the Association, if any, and by the Declarant. An instrument reflecting such an amendment 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, following the lapse of all of the Class B memberships in the Association, as in Article II provided, this Declaration may be amended only with the consent of a majority of the Class A Members of the Association. Such an amendment 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.

10.2. Construction and Enforcement. The provisions hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of the community. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenants or restriction, either to restrain or enjoin violation or to recover damages or both, and against any Lot to enforce the lien created hereby; and the failure or forbearance by the Association or the owner of any Lot to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

The provisions hereof may be enforced, without limitation, by the Association, by any owner or any mortgagee of any Lot which becomes subject to the provisions hereof and by any other person, firm, corporation or other legal entity who has any right to the use of any of the Common Areas owned by the Association.

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 cannot be adequately remedied by action at law or exclusively by recovery of damages.

10.3. **Conflict.** In the event of any conflict between the provisions of these Covenants and the constraints reflected in the Plat of record for Rockingham, the constraints of the Plat shall govern. Any conflict existing within the provisions of this instrument itself shall result in the application of the most restrictive provision herein.

If any conflict arises between the provisions in these Covenants and the constraints imposed by state and governmental authorities, the constraints of the state and governmental authorities will prevail, unless the provision of this instrument is more restrictive. If the provision in these Covenants is more restrictive, then these Covenants will prevail.

If any conflict arises between the provisions in these Covenants and the constraints imposed by the Town of Keedysville, the constraints of the Town of Keedysville will prevail, unless the provision of this instrument is more restrictive. If the provision in the Covenants is more restrictive, then these Covenants will prevail.

Any structures and/or improvements located upon any restrictions in this instrument that would otherwise result in a violation thereof shall be exempt. However, alteration or replacement of any part of said structures and/or improvements, aside from routine maintenance, requires compliance with these provisions in their entirety.

10.4. **Fines.** In addition to the means for enforcement provided elsewhere herein, the Association shall have the right to levy fines against an Owner or his guest, relatives, issues 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.

(a.) The Board of Directors, or a duly appointed 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 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 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 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 of 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 promises 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 such violation in the amount provided herein.

(d.) A fine pursuant to this Section 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 the 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 the 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.

10.5. **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 the holders of at least two-thirds (2/3) of the first mortgages of record on the lots.

(a.) abandon, partition, subdivide, encumber, sell or transfer any of the Common Areas; provided, however, that the granting of rights-of-ways, easements and the like for public utilities and cable television or for other purposes consistent with the use of the Common Areas by the Members of this 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; or

(e.) modify or amend any material or substantive provision of this Declaration or the Bylaws of the Association.

10.6. **Consent of Veterans Administration.** Provided that any Lot in the project is then encumbered by a deed of trust or mortgage which is guaranteed by the Veterans Administration and, provided further, 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 and approval of the Veterans Administration;

(a.) abandon, partition, subdivide, encumber, sell or transfer any of the Common Areas; provided, however, that the granting of right-of-ways, assessments and the like for public utilities and cable television or for other purpose consistent with the use of the Common Areas and 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 or amend any material or substantive provision of this Declaration or the Bylaws of the Association.

10.7. **Additional Rights of Mortgagees – Notice.** 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, provided such mortgagee has furnished the Association with its name, address and the addressees of those Lots in which it has a security interest.

Any institutional first mortgagee of any Lot upon the Property may pay any taxes, utility charges or other charge levied against the Common Areas which are in default and which may or have become a charge or lien against any of the Common Areas and any such institutional 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. Any first mortgagee who advances any such payment shall be due immediate reimbursement of the amount so advanced from the Association.

10.8. **Remedies.** Damages shall not be deemed adequate compensation for any breach or violations of any provision hereof, but any person or entity entitled to enforce any provision hereof shall be entitled to relief by way of injunction as well as any other available relief either at law or in equity. Any reasonable expenses including reasonable attorney's fees and court costs incurred in the enforcement of these covenants shall be chargeable to and paid promptly by the violator of these covenants.

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

10.10. **Taxes and Assessments.** It is the intent of this Declaration that insomuch as the interests of each Owner to use and enjoy the Common Area 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 Area 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.

10.11. **Changes Required by Lenders or Government Agencies.** Notwithstanding any provision to the contrary contained in the Articles of Incorporation or Bylaws of the Association or this Declaration, the Declarant shall have and hereby reserves the right to make modifications, additions, or deletions to the Declaration, the Articles of Incorporation and the Bylaws of the Association if such modifications, additions or deletions are required by VA, FHA, FHLMC, FNHA or any government agency. The Declarant further reserves the right to waive in writing any exemption, right or privilege granted or reserved to the Declarant by this Declaration or the Articles of Incorporation or by Bylaws of the Association.

10.12. **Casualty Losses.** In the event of substantial damage or destruction to any of the Common Areas, the Board of Directors of the Association shall give prompt written notice of such damage or destruction to the holders of all first mortgages of record on the lots. No provision of this Declaration 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 any insurance proceeds paid or payable on account of any damage or destruction of any of the Common Areas.

10.13. **Condemnation or Eminent Domain.** In the event any part of the Common Areas 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 holders of all first mortgages of record on the lots. No provision of this Declaration 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.

10.14. **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 instrument in writing, with or without notice to the Association.

10.15. **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.

10.16. **Notices.** Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postage prepaid, 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.

10.17. **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 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 except the streets and roads of the community.

10.18. **Interpretation.** Unless the context otherwise requires, the use of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the term "including" shall mean "including, without limitation." This Declaration shall be liberally construed in favor of the party seeking to enforce the provisions hereof to effectuate the purpose of protecting and enhancing the value, marketability, and desirability of the Properties by providing a common plan for the development thereof.

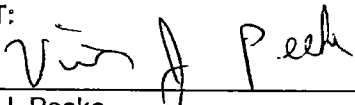
10.19. **Captions and Gender.** The captions contained in this Declaration area for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. ❖

NOW THEREFORE, Rockingham Conservancy, Inc., its successors and/or assigns, does hereby expressly confirm, amend and supplement the Declaration of Protective Covenants, Conditions and Restrictions by adding and confirming that the Homeowners Association is Rockingham Conservancy, Inc.

SIGNATURE

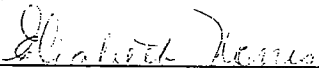
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument as of the day and year first above written.

DECLARANT:



Victor J. Peeke
Declarant/Developer

ATTEST:



Elizabeth Norris

STATE OF MARYLAND, COUNTY OF WASHINGTON, to-wit:

I HEREBY CERTIFY, That on this 15th day of August 2000, before me, the Subscriber, a Notary Public, in and for the State and County aforesaid, personally appeared VICTOR J. PEEKE, who did acknowledge the foregoing DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS to be his voluntary act and deed.

Witness my hand and official Notarial Seal

MY COMMISSION EXPIRES: 5/01/01


Notary PUBLIC

Mail to: 16013 Comus Road
Clarksburg, Md 20871

Exhibit A

Description of Property

Lots numbered one (1) through thirty-five (35), inclusive, in the subdivision known as "ROCKINGHAM," in the town of Keedysville, Washington County, in the state of Maryland, and more particularly described among the Land Records, at plat folio 5385-5389, being Phase 1. A detailed description of the property is shown on the following pages.

DESCRIPTION OF PROPERTY

FOX & ASSOCIATES, INC.

ENGINEERS-SURVEYORS-PLANNERS Open Space Parcels to be conveyed to the Home Owners Association of Rockingham
981 Mt. Aetna Road
Hagerstown, MD 21740

Location Washington County, Maryland

Prepared By Russell Townsley

Date: June 30, 2000

Page 1 of 4

Situate along the northeast side of Dogstreet Road, in the town of Keedysville, Washington County, Maryland and being more particularly described as follows:

PARCEL 1

Beginning at a point in the west right of way line of Skyline Court at the northeast corner of Lot 15, Rockingham shown on a plat recorded at Plat Folio 5385 - 5389 among the land records of Washington County, Maryland, thence binding on Lot 15

- 1) N 31° 12' 45" W 129.46' to a point, thence
- 2) S 78° 40' 24" W 32.63' to a point, thence binding on lands of Terry Karn (L.1152 F.491)
- 3) N 09° 09' 22" E 237.44' to a point, thence
- 4) N 71° 32' 40" E 218.86' to a point, thence binding on Lot 28
- 5) S 21° 27' 16" W 157.61' to a point, thence binding on Lot 27
- 6) S 04° 07' 29" E 117.99' to a point, thence binding on Lot 16
- 7) S 78° 40' 24" W 156.67' to a point, thence
- 8) S 31° 12' 45" E 125.00' to a point, thence with the right of way line of Skyline Court with a curve to the left, having a radius of 60.00', an arc length of 10.08' and a chord bearing and distance of
- 9) S 53° 59' 25" W 10.04' to the point of beginning.

Containing 1.04 Acres of land more or less.

PARCEL 2

Beginning at a point in the north right of way line of Dogstreet Road at its intersection with the east right of way line of Rockingham Drive, thence with the east right of way line of Rockingham Drive with a curve to the right having a radius of 25.00', an arc length of 37.94' and a chord bearing and distance of

- 1) N 18° 09' 45" E 34.40' to a point, thence
- 2) N 61° 38' 17" E 74.59' to a point, thence with a curve to the left having a radius of 380.00' an arc length of 209.02' and a chord bearing and distance of
- 3) N 45° 52' 48" E 206.40' to a point, thence binding on Lot 84

- | | | | | |
|-----|---|---------------|---------|---|
| 4) | S | 49° 46' 40" E | 46.55' | to a point, thence |
| 5) | S | 14° 54' 41" W | 100.47' | to a point, thence |
| 6) | S | 46° 39' 51" E | 90.63' | to a point, thence |
| 7) | S | 12° 17' 55" W | 119.88' | to a point, thence binding on Lots 72-74 |
| 7) | S | 49° 20' 49" W | 210.94' | to a point, thence continuing with Lot 72 |
| 8) | S | 80° 49' 55" W | 52.47' | to a point in the north right of way line of Dogstreet Road, thence with said right of way line |
| 9) | N | 08° 09' 03" W | 61.01' | to a point, thence with a curve to the left having a radius of 630.00' an arc length of 188.71' and a chord bearing and distance of |
| 10) | N | 16° 43' 55" W | 188.00' | to the point of beginning. |

Containing 1.71 Acres of land more or less.

PARCEL 3

Beginning at a point in the north right of way line of Dogstreet Road at the south east corner of Lot 4, Trails of Little Antietam, shown on a plat recorded at Plat Folios 5273-5274 among the land records of Washington County, Maryland, thence leaving Dogstreet Road and binding on Lot 4

- | | | | | |
|-----|---|---------------|---------|--|
| 1) | N | 65° 12' 25" E | 14.97' | to a point, thence |
| 2) | N | 20° 12' 25" E | 573.00' | to a point, thence continuing with Lot 4 |
| 3) | N | 69° 47' 35" W | 157.50' | to a point, thence with Lot 5 |
| 4) | N | 69° 48' 23" W | 157.50' | to a point, thence binding on Lot 6 |
| 5) | N | 87° 57' 49" W | 343.66' | to a point, thence |
| 6) | S | 32° 02' 46" W | 14.49' | to a point, thence binding on Lot 3 George Maharay Subdivision |
| 7) | N | 57° 55' 07" W | 106.92' | to a point, thence with Lots 68 - 69 Rockingham |
| 8) | N | 37° 09' 17" E | 258.05' | to a point, thence with Lots 65 - 66 |
| 9) | S | 61° 44' 55" E | 268.95' | to a point, thence with Lot 64 |
| 10) | S | 79° 53' 33" E | 94.76' | to a point, thence with Lot 63 |
| 11) | S | 74° 35' 57" E | 84.74' | to a point, thence with Lot 62 |
| 12) | S | 50° 07' 47" E | 145.70' | to a point, thence with Lot 61 |
| 13) | N | 70° 41' 30" E | 213.14' | to a point, thence |
| 14) | N | 48° 17' 13" W | 200.00' | to a point, thence with the right of way line of Turkey Tract Place, with a curve to the left, having a radius of 60.00' an arc length of 25.79' and a chord bearing and distance of |

15)	N	54° 01' 31"	E	25.59'	to a point, thence with Lot 60
16)	S	48° 17' 13"	E	196.84'	to a point, thence
17)	N	17° 01' 13"	E	198.66'	to a point, thence binding on Lot 59
18)	N	27° 11' 43"	W	72.91'	to a point, thence binding on Lot 47
19)	N	00° 20' 17"	E	194.07'	to a point, thence
20)	N	39° 48' 37"	E	152.57'	to a point, thence
21)	N	03° 38' 56"	W	255.00'	to a point, thence
22)	N	51° 32' 40"	W	100.74'	to a point, thence
23)	N	00° 20' 17"	E	625.93'	to a point, thence
24)	N	85° 41' 34"	W	131.66'	to a point, thence
25)	S	02° 20' 48"	W	173.43'	to a point, thence
26)	S	36° 56' 41"	W	107.34'	to a point, thence
27)	S	58° 39' 38"	W	98.87'	to a point, thence binding on Lot 45
28)	N	86° 09' 38"	W	170.50'	to a point in the east right of way line of Hoot Owl Court, thence with said right of way line
29)	N	03° 50' 22"	E	143.57'	to a point, thence with a curve to the left, having a radius of 60.00' an arc length of 102.32' and a chord bearing and distance of
30)	N	45° 00' 53"	W	90.36'	to a point, thence binding on Lot 44
31)	N	03° 52' 09"	W	179.10'	to a point, thence binding on lands of Jeffrey L. Young (L. 1108 F. 790) the two following courses
32)	S	63° 03' 42"	E	230.00'	to a point, thence
33)	N	38° 57' 50"	E	296.88'	to a point, thence binding on lands of the State of Maryland
34)	S	43° 21' 27"	E	527.29'	to a point, thence binding on lands of Austin A. Flook (L. 855 F. 1074)
35)	S	13° 16' 30"	W	255.72'	to a point, thence
36)	S	47° 13' 30"	E	90.75'	to a point, thence
37)	S	00° 47' 32"	W	1329.24'	to a point, thence binding on Lots 1-3 of Trails of Little Antietam
38)	S	78° 22' 21"	W	167.04'	to a point, thence
39)	S	19° 26' 17"	E	86.49'	to a point, thence
40)	S	78° 22' 21"	W	118.37'	to a point, thence

- 41) N 89° 30' 25" W 214.90' to a point, thence
- 42) S 20° 12' 25" W 341.59' to a point, thence
- 43) S 29° 47' 35" E 14.33' to a point in the north right of way line of Dogstreet Road, thence with said right of way line
- 44) N 69° 38' 13" W 51.57' to the point of beginning.

Containing 16.77 Acres of land more or less.

The parcels described above are part of the lands conveyed by Nicholas Diavatis to Victor J. Peeke by deed dated April 5, 1995 and recorded at Liber 1206 Folio 32 among the land records of Washington County, Maryland.

Said open space parcels being subject to Storm Water Agreements and Forest Conservation Easements and any and/or all other rights of way, easements or restrictions of record, if any.

The parcels described herein being graphically shown on a plat prepared by and on file among the records of Fox & Associates Inc. as drawing no. A- 10082 (sheets 1-3) attached hereto and made a part hereof.



Exhibit B

Description of Common Areas

The attached plat shows the common areas conveyed to the Homeowner's Association.

OWNER/DEVELOPER

VICTOR PEEKE
 16013 COMUS ROAD
 CLARKSBURG, MARYLAND 20871
 (301)428-8329

SHADED AREAS INDICATE
 OPEN SPACE AREAS TO BE
 CONVEYED TO THE
 HOMEOWNERS ASSOCIATION

**PARCEL
 #1**

JEFFREY L. YOUNG
 L 1108 F.790

TERRY E. KARN ET. AL.
 L 1152 F. 491

CORPORATE LIMITS

KEEDYSVILLE

100 YEAR FLOODPLAIN (17P.)

Little Antietam Creek

**PARCEL
 #3**

AUSTIN A. FLOOK
 L 856 F.1074

CORPORATE LIMITS

**PARCEL
 #2**

WASHINGTON COUNTY
 TOWN OF KEEDYSVILLE

ROCKINGHAM - SECTION 2

ROCKY TRACT PLACE

TRAILS OF PHASE 1

LITTLE ANTIETAM
 LOTS 1-6

DOGSTREET

ROAD

THE ARTHUR & GEORGE
 HARARY SUBDIVISION



**EXHIBIT FOR CONVEYANCE
 OF OPEN SPACE
 ROCKINGHAM
 TO THE HOME OWNERS ASSOCIATION**
 SITUATE ON THE EAST SIDE OF DOGSTREET ROAD
 TOWN OF KEEDYSVILLE
 WASHINGTON COUNTY, MARYLAND

SHEET 1 OF 3

DRAWN BY: M. EVANS
 DATE: 06/2000
 CHECKED BY: R. BRILL
 DATE: 08/2000

FOX & ASSOCIATES, INC.
 ENGINEERS • SURVEYORS • PLANNERS

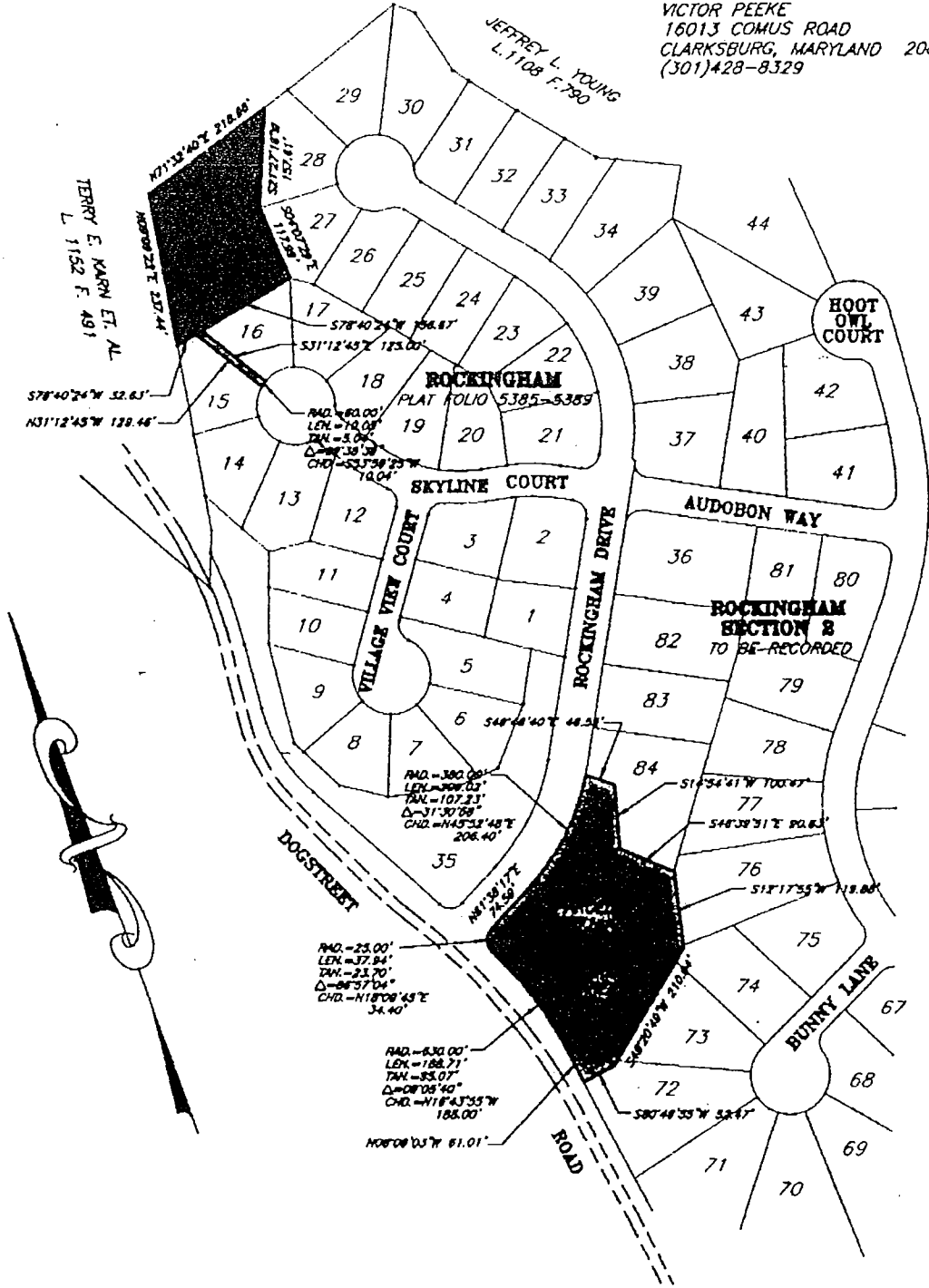
DISTRICT 19
 TAX MAP No. 77
 DWG. No. A-10082

82 WORMANS HILL COURT SUITE 0 FREDERICK, MARYLAND 21701
 PHONE: (301)895-0880 FAX: (301)293-8009

SCALE: 1" = 400'

OWNER/DEVELOPER

VICTOR PEEKE
16013 COMUS ROAD
CLARKSBURG, MARYLAND 20871
(301)428-8329



**EXHIBIT FOR CONVEYANCE
OF OPEN SPACE
ROCKINGHAM
TO THE HOME OWNERS ASSOCIATION**

SITUATE ON THE EAST SIDE OF DOGSTREET ROAD
TOWN OF KEEDYSVILLE
WASHINGTON COUNTY, MARYLAND

SHEET 2 OF 3

DRAWN BY: M. EVANS	DATE: 06/2000
CHECKED BY: R. BRILL	DATE: 06/2000
SCALE: 1" = 200'	

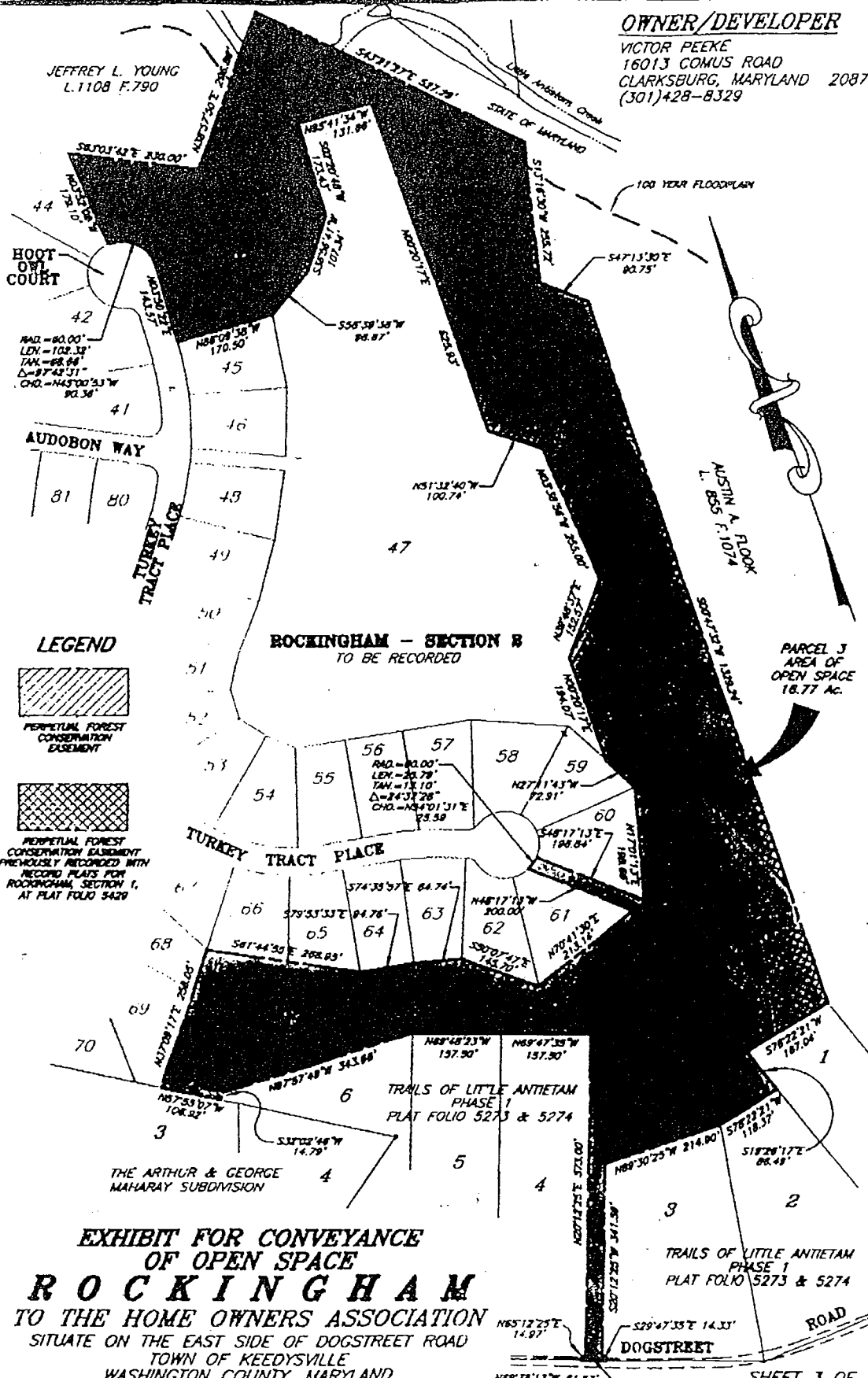
FOX & ASSOCIATES, INC.
ENGINEERS • SURVEYORS • PLANNERS
82 WORMANS MILL COURT SUITE 0 FREDERICK, MARYLAND 21701
PHONE: (301)895-0880 FAX: (301)293-6008

DISTRICT	19
TAX MAP No.	77
DWG. No.	A-10082

OWNER/DEVELOPER

VICTOR PEEKE
16013 COMUS ROAD
CLARKSBURG, MARYLAND 20871
(301)428-8329

JEFFREY L. YOUNG
L.1108 F.790



**ROCKINGHAM - SECTION B
TO BE RECORDED**

LEGEND



PERPETUAL FOREST CONSERVATION EASEMENT



PERPETUAL FOREST CONSERVATION EASEMENT PREVIOUSLY RECORDED WITH RECORD PLATS FOR ROCKINGHAM SECTION I, AT PLAT FOLIO 5428

**EXHIBIT FOR CONVEYANCE
OF OPEN SPACE
ROCKINGHAM**
TO THE HOME OWNERS ASSOCIATION
SITUATE ON THE EAST SIDE OF DOGSTREET ROAD
TOWN OF KEEDYSVILLE
WASHINGTON COUNTY, MARYLAND

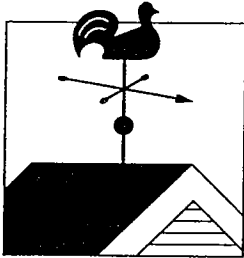
TRAILS OF LITTLE ANTIETAM
PHASE 1
PLAT FOLIO 5273 & 5274

SHEET 3 OF 3

DRAWN BY: M.EVANS	DATE: 06/2000
CHECKED BY: R.BRILL	DATE: 06/2000
SCALE: 1" = 200'	

FOX & ASSOCIATES, INC.
ENGINEERS • SURVEYORS • PLANNERS
82 WORMANS MILL COURT SUITE G FREDERICK, MARYLAND 21701
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DISTRICT	19
TAX MAP No.	77
DWG. No.	A-10082



Articles of Incorporation
Rockingham Conservancy, Inc.

August, 2000

Rockingham Conservancy, Inc.

ARTICLES OF INCORPORATION

ARTICLE I

NAME

The name of the Corporation is ROCKINGHAM CONSERVANCY, INC. (hereinafter called the "Association").

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association is located at One Rockingham Drive, Keedysville, Maryland 21756.

ARTICLE III

REGISTERED AGENT

Victor J. Peeke, whose address is at One Rockingham Drive, Washington County, Keedysville, Maryland 21756, is hereby appointed the Registered Agent of the Association.

ARTICLE IV

DEFINITIONS

4.1. Definitions. The terms "Association", "Common Area", "Community Facilities", "Control Committee", "Covenants", "Declarant" or "Developer" or "Grantor", "Dwelling", "Eligible Mortgage Holder", "First Mortgagee", "Improvements", "Lot", "Members", "Mortgagee", "Owner", "Park" and "Property" as used in these Articles of Incorporation shall have the meanings set forth in the Declaration of Protective Covenants, Conditions and Restrictions relating to the Community Association dated August 15, 2000, and recorded among the land records of Washington County, Maryland in Liber 1591, Folio 517 (hereinafter referred to as the "Declaration").

4.2. Member. "Member" means those persons or entities entitled to membership in the Association as provided in the Declaration.

ARTICLE V

PURPOSES AND POWERS OF THE ASSOCIATION

The Association shall not operate for pecuniary gain or profit, shall not issue capital stock, and no part of the net earnings of the Association shall inure to the benefit of any member or individual (except that reasonable compensation may be paid for services rendered), and the specific purposes for which it is formed are to provide for the: (i) use, improvement, maintenance, operation and repair of the Common Areas located in the Property including any improvements and amenities located thereon; (ii) establishment of rules and regulations for the use

of the Common Areas including any improvements and amenities located thereon; (iii) distribution among the Owners of the Property of the costs of the use, improvement, maintenance, and repair of the Common Areas including any improvements and amenities located thereon; and (iv) promotion of the health, safety, pleasure, recreation, and welfare of the residents of the Lots within the Property. In furtherance of these purposes, the Association (by action of its Directors unless otherwise noted in these Articles of Incorporation or in the Declaration) shall have full power to:

(a.) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration as the same may be amended from time to time as therein provided, the Declaration being incorporated herein by reference as if set forth at length;

(b.) fix, levy, collect, and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the affairs of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property 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 of the Association, subject, however, to the requirements of the Declaration;

(d.) borrow money and, with the assent of two thirds (2/3) of the votes of each class of members of the Association, mortgage, pledge, convey by deed of trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e.) dedicate, sell, or transfer all or any part of the Common Areas to any public agency, authority, or utility subject, however, to the requirements of the Declaration and to such conditions as may be agreed to by the members;

(f.) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional property and open space, provided that, except as otherwise provided in the Declaration, any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the votes of each class of the members; and

(g.) have and to exercise any and all powers, rights and privileges which a non-stock corporation organized under the Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

ARTICLE VI MEMBERSHIP

Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

ARTICLE VII VOTING

The Association shall have two classes of voting membership:

Class A: Class A member(s) shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members; however, for purposes of a quorum, they

shall be treated as a single member. The votes for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B: The Class B member(s) shall be the Declarant and shall be entitled to three votes for each Lot owned. The Class B Membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a.) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b.) on the seventh anniversary of the date of the Declaration.

Provided, however, the Class B membership shall be revived (and the Declarant shall again be entitled to three votes for each Lot owned by the Declarant) during any periods of time occurring before the seventh anniversary of the date of the Declaration, when by reason of the annexation of additional land as a part of the Property additional Lots owned by the Declarant exist which, when added to the other Lots then owned by the Declarant, would result in the Declarant having more than fifty percent (50%) of the votes of the Association were the Declarant to have three votes for each Lot owned by the Declarant instead of only a single vote for each Lot owned by the Declarant.

ARTICLE VIII

BOARD OF DIRECTORS

A Board of three (3) Directors, who need not be members of the Association, shall manage the affairs of this Association. The number of Directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
Victor J. Peeke	One Rockingham Drive, Keedysville, MD 21756
Elizabeth Norris	One Rockingham Drive, Keedysville, MD 21756
Kris Mahoney	One Rockingham Drive, Keedysville, MD 21756

These Directors (hereinafter called "Charter Directors") shall serve until the first annual meeting of the members at which their successors are elected. In the event of death or resignation of a Charter Director during his or her term of office, the remaining Charter Directors shall elect a successor Charter Director to fill the unexpired term of such Charter Director.

ARTICLE IX

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by the holders of not less than two-thirds (2/3) of the votes of each class of the members. 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 acceptance of such a dedication is refused, the assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization to be devoted to similar purposes.

ARTICLE X

TERM

The Association shall exist perpetually.

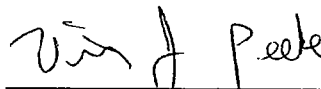
ARTICLE XI

AMENDMENT

Amendment of these Articles shall require the assent of the holders of two-thirds (2/3) of the votes of each class of members present in person or by proxy at the meeting at which the vote is taken. Anything set forth above in this Article XI to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power, and authority to modify, revise, amend, or change any of the terms or provisions of these Articles of Incorporation all as from time to time amended or supplemented. However, this unilateral right, power, and authority of the Declarant may be exercised if and only if the Veterans Administration (VA), the Federal Housing Administration (FHA), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), or the Government National Mortgage Association (Ginnie Mae) or any successor agencies or entities thereto or any agencies or entities providing similar programs shall require such action as a condition precedent to the approval by such agency or entity of the Property or any part thereof or any Lots thereon for approved mortgage financing purposes under applicable VA, FHA, Freddie Mac, Fannie Mae, Ginnie Mae, or similar programs. If the VA or the FHA or any successor agencies thereto approve the Property or any part thereof or any Lot therein for federally approved mortgage financing purposes, any amendments to these Articles made during any period of time when there are Class B members of the Association shall also require the prior consent of the agency giving such approval.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of Maryland, the undersigned, VICTOR J. PEEKE, whose post office address is One Rockingham Drive, Washington County, Keedysville, Maryland 21756, being at least eighteen years of age, has executed these Articles of Incorporation this 21st day of August, 2000, for the purpose of incorporating this Association.

ROCKINGHAM CONSERVANCY, INC.



Victor J. Peeke
President



Bylaws

Rockingham Conservancy, Inc.

Rockingham Conservancy, Inc.

BYLAWS

ARTICLE I

NAME AND LOCATION

The name of the Corporation is ROCKINGHAM CONSERVANCY, INC., a Community Association (hereinafter referred to as "Association"). The principal office of the Corporation shall be located at One Rockingham Drive, Washington County, Keedysville, Maryland 21756, 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

2.1. Definitions. The terms "Association", "Common Area", "Company", "Community Facilities", "Control Committee", "Covenants", "Declarant" or "Developer" or "Grantor", "Dwelling", "Eligible Mortgage Holder", "First Mortgagee", "Improvements", "Lot", "Mortgagee", "Owner", "Park" and "Property" as used in these Bylaws shall have the meanings set forth in the Declaration of Protective Covenants, Conditions and Restrictions relating to the Rockingham Subdivision dated August 15, 2000, and recorded among the Land Records of Washington County in Liber 1591, Folio 517 (the "Declaration").

2.2. Member. "Member" means those person or entities entitled to membership in the Association as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

3.1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association. Each subsequent regular annual meeting of the members shall be held in the same month of each year thereafter, at a date, time and place within the State of Maryland selected by the Board of Directors of the Association.

3.2. 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 (i) entitled to vote one-fourth (1/4) of all of the votes of the Class A membership; or (ii) entitled to vote one-fourth (1/4) of all of the votes of the Class B Membership.

3.3. 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 the notice, postage paid, not less than fifteen (15) nor more than thirty (30) days before the meeting, to each member, addressed to the member's address last appearing on the books of the Association, or supplied by the member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting. In the case of a special meeting, the notice shall state the purpose of the meeting.

3.4. Quorum. The presence at the meeting of members or proxies entitled to cast one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereof shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.5. 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/her Lot.

3.6. Meetings. All meetings of members shall be conducted in accordance with Section 11B-111 Real Property Article, Annotated Code of Maryland.

ARTICLE IV

BOARD OF DIRECTORS SELECTION: TERM OF OFFICE

4.1. Number. A Board of three (3) Directors, who need not be members of the Association, shall manage the affairs of this Association.

4.2. Term of Office. The terms of the "Charter Directors" (as defined in the Articles of Incorporation of the Association) shall be for the period until the first annual meeting of the members at which their successors are elected. The terms of each Director other than a Charter Director shall be for one (1) year or until his/her successor is elected, whichever shall be the longer period. Each Director, other than a Charter Director, shall be elected at the annual meeting.

4.3. Removal. Any Director, other than a Charter Director, may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal, pursuant to these Bylaws, of a Director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his/her predecessor.

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

4.5. 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. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

4.6. Meetings. All meetings of Directors shall be conducted in accordance with Section 11B-111 Real Property Article, Annotated Code of Maryland.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

5.1. Nomination. Nomination of Directors for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more other persons. The Nominating Committee shall be appointed by the President of the Association

prior to each annual meeting of the Members, to serve until the close of the annual meeting. The Nominating Committee shall 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. Nominations may be made from among Members or nonmembers.

5.2. Election. Election to the Board of Directors shall be by written ballot. At the election, the Member 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

6.1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place and hour as may be fixed from time to time by resolution of the Board, without the necessity of further notice.

6.2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

6.3. 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 at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1. Powers. The Board of Directors shall have the power to:

(a.) adopt and publish rules and regulations governing the use of the Common Areas including any improvements and amenities located thereon, 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 the right of use of any recreational facilities located on any Common Areas during any period in which the member is in default in the payment of any assessment levied by the Association (these rights may also be suspended for a period not to exceed sixty [60] days for an infraction of published rules and regulations);

(c.) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration; and

(d.) employ a manager, independent contractors, or other employees or contractors as they deem necessary and to prescribe their duties.

7.2. Duties. It shall be the duty of the Board of Directors to:

(a.) keep 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 a statement is requested in writing by the holders of one-fourth (1/4) of the votes of the Class A Members or by the holders of

one-fourth (1/4) of the votes of the Class B Members;

(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 no later than February 1st of each year,
- (2.) send written notice of each annual assessment to every Lot Owner subject thereto no later than February 1st of each year, and of each special assessment, at least forty-five (45) days in advance of its due date, and
- (3.) foreclose the lien against a Lot if the Owner thereof has not paid the assessment thereon within such time as the Board of Directors may determine, or bring an action at law against the Lot 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 the certificate states that an assessment has been paid, the certificate shall be conclusive evidence of payment with respect to any persons relying on the certificate);

(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; and

(g.) cause the Common Areas to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

8.1. 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.

8.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each annual meeting of the Members.

8.3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he/she shall be removed, or otherwise be disqualified to serve.

8.4. 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.

8.5. Resignation and Removal. The Board may remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such

resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

8.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to the vacancy shall serve for the remainder of the term of the officer he/she replaces.

8.7. Multiple Offices. No more than two offices may be held by the same person.

8.8. Duties. The duties of the officers are as follows:

President	The President shall preside at all meetings of the Members and of the Board of Directors and see that orders and resolutions of the Board are carried out. The President shall have authority to sign all leases, mortgages, deeds, and other written instruments.
Vice President	The Vice President shall act in the place and stead of the President in the event of his/her absence, inability, or refusal to act, and exercise and discharge such other duties as may be required of him/her by the Board. The Vice-President shall likewise have authority to sign all leases, mortgages, deeds, and other written instruments.
Secretary	The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as required by the Board.
Treasurer	The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse these funds as directed by resolution of the Board of Directors; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members requesting the same.

ARTICLE IX COMMITTEES

The Association shall appoint such committees as deemed appropriate in carrying out its purposes.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. 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 XI
ASSESSMENTS

As more fully provided in the Declaration, each Class A Member is obligated to pay to the Association assessments which are secured by a continuing lien upon the Lot against which the assessment is made. If the assessment is not paid within fifteen (15) days of the due date, the assessment shall be subject to a late charge of fifteen (\$15.00) or ten percent (10%) of the total amount due, whichever is greater. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs, and reasonable attorney's 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 nonuse of the Common Areas or abandonment of his/her Lot.

ARTICLE XII
AMENDMENTS

12.1. General. These Bylaws may be amended, at a regular or special meeting of the members, by the holder of two-thirds (2/3) of the votes of the members of the Association present in person or by proxy at the meeting at which the vote is taken. Anything set forth above in this Article XII to the contrary notwithstanding, the Company shall have the absolute unilateral right, power and authority to modify, revise, amend or change any of the terms or provisions of all these Bylaws as from time to time amended or supplemented. However, this unilateral right, power and authority of the Company may be exercised only if the Veterans Administration (VA), the Federal Housing Administration (FHA), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), or the Government National Mortgage Association (Ginnie Mae), or any successor agencies or entities thereto or any agencies or entities providing similar programs shall require such action as a condition precedent to the approval by such agency or entity of the Property or any part thereof or any Lots thereon for approved mortgage financing purposes under applicable VA, FHA, Freddie Mac, Fannie Mae, Ginnie Mae or similar programs, if the VA or the FHA or any successor agencies thereto approve the Property or any part thereof any Lot therein for federally approved mortgage financing purposes, any amendments to these Bylaws made during any period of time when there are Class B members of the Association shall also require the prior consent by the agency giving such approval.

12.2. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and the Articles or these Bylaws, the Declaration shall control.

ARTICLE XIII
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation and end on December 31st of that year. ❖
