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QUEEN ANNE'S COUNTY

DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

GIBSON'S GRANT

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DECLARATION

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FOR

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DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
GIBSON'S GRANT

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") is made this 26th day of October, 2006, by WHITE'S HERITAGE PARTNERS, L.L.C., hereinafter "Declarant."

RECITALS

WHEREAS, the Declarant, by virtue of a deed dated June 29, 2000 and recorded among the Land Records of Queen Anne's County, Maryland at Liber S.M. No. 741, folio 623, is the owner of certain real property located in Chester, Queen Anne's County, Maryland, described in Article II hereof (the "Property"), and has received approval from Queen Anne's County to create and develop thereon, in multiple phases, a residential community of town homes and single-family detached Dwellings with permanent Common Area for the benefit of the community, and;

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities in said community and for the maintenance of said Common Area; and to this end, desires to subject the real property described in Article II hereof to the covenants and restrictions, easements, charges and liens, hereinafter set forth, each and all of which are for the benefit of said property and the subsequent owners thereof; and

NOW, THEREFORE, in consideration of the foregoing Recitals, which are not merely prefatory but made part hereof, the Declarant hereby declares that the real property described in Article II is and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitude, charges and liens (hereinafter sometimes referred to as "covenants and restrictions") hereinafter set forth, all of which are agreed to be in aid of the plan for the improvement of said 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, its heirs, 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 interest solely as security for the performance of an obligation.

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ARTICLE I
DEFINITIONS

1.1. Definitions. The following words, when used in this Declaration, shall have the following meanings:

(a) "Architectural Review Committee" means the Architectural Review Committee established pursuant to Article VIII hereof.

(b) "Area of Common Responsibility" means and refers to all parts of the Common Area, together with those additional areas, if any, which by contract or agreement with Queen Anne's County, with any residential association, or with any other party become in whole or in part under the control or responsibility of the Association.

(c) "Articles" means the Articles of Incorporation of the Association as they may be amended from time to time.

(d) "Association" means the Gibson's Grant Community Association, Inc., a Maryland non-profit, non-stock corporation, and its successors and assigns.

(e) "Board" means the Board of Directors from time to time of the Association. The Bylaws of the Association provide that the Board of Directors shall include a representative of CBEC, to be appointed by CBEC, which representative shall serve as an honorary, non-voting member of the Gibson's Grant Board of Directors.

(f) "Builder" means any person or entity that purchases one or more Lots for the sole purpose of constructing improvements for later sale to consumers, or who purchases one or more parcels of land within the Property for further subdivision.

(g) "Bylaws" means the Bylaws of the Association, established for the government of the Association as they may be amended from time to time.

(h) "Chesapeake Bay Environmental Center of the Wildfowl Trust of North America, Inc.," or "CBEC" means a non-profit corporation organized and existing under the laws of the State of Maryland, with an address of 600 Discovery Lane, P.O. Box 519, Grasonville, Maryland 21628, dedicated to restoration of the Chesapeake Bay through education, research, conservation and restoration. CBEC is the holder of a conservation easement over the Conservation Area as set forth in the *Deed of Conservation Easement* ("Conservation Easement") further defined and

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referenced below this Article I. In addition to being the holder of the Conservation Easement with the right to enforce its terms, CBEC has the right to use the Conservation Area for purposes of conducting educational programs and activities for the general public and residents of Gibson's Grant.

(i) "Common Area" means all that certain real property, including any improvements, owned or to be owned by, maintained or to be maintained by the Association, or otherwise available to the Association, and held for the benefit, use and enjoyment of all its Members, the same including but not limited to all those areas designated on the Plat as "Open Space," "Forest Protection Areas," "Stormwater Management Areas," "Conservation Area," and "Shore Buffer Area," Private Roads and alleys, parking lots, recreation areas, community waterfront access areas, and Community Pier, and the storm water management facilities not dedicated to and accepted by Queen Anne's County, Maryland. As further provided for herein this Declaration and in a certain Conservation Easement, certain portions of the Common Area shall be open to and accessible by the general public for passive recreational use.

(j) "Community" means that certain community being developed by the Declarant on the Property known as "Gibson's Grant."

(k) "Community Pier" means the pier to be constructed or intended to be constructed by the Declarant at the northern boundary of the Property and extending into the Chester River. The Community Pier is part of the Common area and shall be open to use by the general public as set forth herein this Declaration.

(l) "Conservation Area" means the approximately 55-acre conservation area as depicted on the Plat, part of the Common Area, for which uses are limited to natural resource conservation and wildlife habitat protection and public access as set forth in the Conservation Easement.

(m) "Conservation Easement" means the *Deed of Conservation Easement, Gibson's Grant* dated October 17, 2006 by and between the Declarant and the Chesapeake Environmental Center of the Wildfowl Trust of North America, Inc. ("CBEC") recorded among the Land Records for Queen Anne's County in Liber S.M. No. 1630 folio 699 which restricts the uses of the Conservation Area to natural resource and wildlife habitat protection and passive outdoor recreational activities, grants to the general public a right of access, and grants to CBEC a conservation easement, among other things, and a right to enforcement of the same.

(n) "Declarant" or "Developer" or "Grantor" means the Declarant herein above identified in the preamble to the 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

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successor or assignee by an instrument in writing. An "Assignee" for purposes of this paragraph, shall include a Mortgagee acquiring the rights of the Declarant by foreclosure, or by deed or assignment in lieu of foreclosure.

(o) "Declaration" means this Declaration of Covenants, Conditions, and Restrictions for the subdivision(s) known as Gibson's Grant, and includes the same as it may be from time to time amended or supplemented.

(p) "Design Guidelines" means the standards, specifications and guidelines applicable to construction, placement, location, alteration, landscaping, maintenance and design of any improvement within the Property, including but not limited to the Gibson's Grant Pattern Book, the Gibson's Grant Supplemental Architectural and Landscape Guidelines, and such other manual(s) or document(s) detailing or describing architectural standards, architectural review procedures or other rules and regulations for architectural control and landscape design, and all amendments and supplements thereof.

(q) "Detached Single Family Lot(s)" means those Lots within the Development on which detached single family Dwellings shall be erected.

(r) "Development" means all of the lands and improvements situated thereon located within the boundaries of the Plat(s) to the extent the same are now subject to this Declaration or are in the future made subject to this Declaration in the manner provided herein.

(s) "Development Period" means the period of time that the Declarant or Builders are engaged in development, construction or sales, or activities related thereto, anywhere on the Property. When all the real estate described in Article II of this Declaration or any amendment thereto has been conveyed to Owners other than the Declarant or a Builder, then the Development Period shall end.

(t) "Duplex" means an improvement consisting of two (2) separate Dwelling Units, with each Dwelling Unit occupying its own Lot.

(u) "Duplex Lot" means those Lots within the Development on which a Duplex has been constructed or it is intended by Declarant that a Duplex be constructed.

(v) "Duplex Unit" means a Dwelling Unit within a Duplex.

(w) "Dwelling" or "Dwelling Unit" means the improvement or improvements constructed on a Lot as said Lot is described on the Plat(s) of the Property and designed and intended for the use and occupancy as a residence by individuals or a family, whether a detached

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single family dwelling, Duplex Unit or Townhome. A Dwelling Unit shall be deemed to exist at such time as a Certificate of Completion or Occupancy is issued by the appropriate governmental authority for the Dwelling Unit, provided, however, that for purposes of Assessments, and voting, the number of Dwelling Units shall be determined from Declarant's then-current site plan, as approved by any applicable governmental authority.

(x) "Forest Conservation Area" means all that area of land consisting of 3.140 acres, more or less, of Protected Forest Area and 1.880 acres of Afforestation Area and depicted as such on Sheets SU-15 and SU-16 of the Plat.

(y) "Lot" means and refers to all subdivided parcels or property (exclusive of the Common Area) which are part of the Property, upon which a Dwelling Unit has been constructed or it is intended by Declarant that a Dwelling Unit be constructed.

(z) "Member" means every person, group of persons, corporation, trust or other legal entity, or any combination thereof, who holds a Membership in the Association.

(aa) "Mortgagee" or "Holder," 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. "Mortgage," shall include a deed of trust. "First Mortgage" means a mortgage with priority over other mortgages.

(bb) "Open Space" means undeveloped land required by the Code of Public Laws for Queen Anne's County to be restricted to resource protection or recreational uses as hereinafter set forth and as shown on the Plats as Open Space. All Open Space is Common Area.

(cc) "Owner" or "Owners" means the record Owner, whether one or more persons or entities, of the fee simple title to any Lot situated on the Property, including the Declarant and contract sellers, but excluding those having such interest solely as security for the performance of an obligation.

(dd) "Person" means a person, firm, association, corporation, or other entity.

(ee) "Personal Watercraft" means a vessel which uses an inboard motor powering a water jet pump as the primary source of motive power, and which is designed to be operated by a person sitting, standing, or kneeling on the vessel, rather than the conventional manner of sitting or standing inside the vessel.

(ff) "Plat" means the Plat(s) described in Article II hereof as well as any subsequent Plat or replat of the Development or any part thereof.

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(gg) "Private Roads" means and refers to all improved rights-of-way, streets and roadways within the Property which are not dedicated to Queen Anne's County, Maryland, for which Queen Anne's County shall have no maintenance responsibilities, and which are to be maintained by the Association, and which are shown on Sheet SU-6A of the Plat.

(hh) "Project" and "Community" means that certain community being developed by the Declarant on the Property known as "Gibson's Grant."

(ii) "Property" means all of the real property described in Article II hereof and such additions thereto as may hereafter be made pursuant to the provisions of Article II.

(jj) "Shore Buffer Area" means all that real property described and designated as "Shoreline Buffer" on the Plats and subject to provisions of a Buffer Management Plan approved by the Critical Area Commission for the Chesapeake & Atlantic Coastal Bays ("Critical Area Commission").

(kk) "Townhome" means a Dwelling Unit attached to two (2) or more other Dwelling Units by means of a roof and/or interior wall, with each Dwelling Unit occupying its own Lot.

(ll) "Townhome Group" means a cluster or grouping of Townhomes containing three (3) or more Townhomes contiguous to one another.

(mm) "Townhome Lot(s)" means those Lots within the Development on which a Townhome has been constructed or it is intended by Declarant that a Townhome be constructed.

ARTICLE II
PROPERTY ENCUMBERED

2.1. The real property which is and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in Queen Anne's County, Maryland and is more particularly described on Exhibit "A" attached hereto and made part hereof.

2.2. Additions to the Encumbered Property.

Declarant is the owner of all that Property described on that aforesaid plat in Article II(1)(a). Declarant shall have the right to expand the Development by subjecting to this Declaration any additional land which is located adjacent to or adjoining the Property which the Declarant may own or hereafter acquire.

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Notwithstanding the foregoing, however, under no circumstances shall Declarant be required to make any additional land subject to the Declaration. Any additional land which is made subject to the Declaration shall thereupon and thereafter be included with the term "Property" as used in this Declaration. Declarant neither commits to nor warrants or represents that any additional land shall be made subject to the Declaration. Declarant shall not need the consent or approval of either the Association or its Members, to make subject to the Declaration any additional lands. If Declarant adds additional lands to the Declaration, Declarant reserves the right to alter the Lot configuration or type of housing offered by Declarant or any builder such that the type of housing product shall rest solely with the discretion of Declarant. Declarant further reserves the right, in adding additional lands, to vary the restrictions applicable to said lands. The determination of the restrictions to be applicable to the additional lands shall be within the sole discretion of the Declarant, to be memorialized in the filed amendments to this Declaration, including said additional lands.

2.3. Procedure for Making Additional Land Subject to the Declaration.

Declarant may subject additional land to the Declaration by filing with the Land Records an amendatory Declaration which need only be executed by the Declarant, and shall not require the joinder or consent of the Association or its members. Such amendatory Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary.

An amendatory Declaration shall be effective upon recording unless otherwise specified in such amendatory Declaration. On the effective date of the amendatory Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

2.4. Withdrawal of Property.

Declarant reserves the right to amend this Declaration for the purpose of removing any portion of the Property which has not yet been improved with structures, from the coverage of this Declaration, provided Declarant owns any Lot or real estate described in Article II. Such withdrawal shall be made by recording an amendatory Declaration among the Land Records of Queen Anne's County, Maryland, withdrawing the effect of the covenants and restrictions of this Declaration from the withdrawn property. Such amendatory Declaration need only be executed by Declarant and shall not require the joinder and consent of the Association or its Members. Such withdrawn property may be utilized by the Declarant, or any successor, assignee or transferee thereof, for any lawful purpose or use.

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2.5. Change of Development Plan by Declarant.

The term "change of development plan" means any change in all or any part of the Property or the abandonment or modification of the project. The Declarant intends to develop the Property in accordance with the Plat as subsequently modified and amended from time to time. The Declarant reserves the right to modify the Plat at its sole option, from time to time, with respect to any portion of the Property owned by the Declarant at any time of such modification. The Plat or any future plat shall not bind the Declarant, its successors or assigns, to adhere to the Plat in the development of the Property. Declarant shall have the unilateral right, privilege and option from time to time, subject to the provision of this Declaration, without the approval of the Association, to change the use of all or any portion of the Property owned by the Declarant at the time of such change. A Supplementary or Amended Declaration detailing the change of land use shall be executed by the Declarant and recorded in the Land Records of Queen Anne's County, Maryland.

This Article shall not be amended without the written consent of Declarant, so long as the Declarant owns any portion of the Property.

ARTICLE III
MEMBERSHIP

3.1. Association Membership. The Association shall have one class of Members. Every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, including the Declarant and contract sellers, who is a record Owner of a fee interest in any Lot shall be a Member of the Association; provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity who holds such interest solely as security for the performance of an obligation shall not be a Member solely on account of such interest. Each Member shall be entitled to one (1) vote for each Lot in which such Member holds the interest required for Membership. When there is more than one record Owner of a Lot, all of such record Owners shall be Members; however, the vote for such Lot shall be exercised as such Owners shall among themselves determine and, in no event, shall more than one (1) vote be cast with respect to such Lot. Notwithstanding the foregoing, the Declarant shall be entitled to three (3) votes for each Lot that it owns.

3.2. Pre-emptive Rights. 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.

3.3. Type of Ownership. Ownership of each Dwelling Unit or Lot may be in fee simple, or any other estate in real property recognized by law, subject to the Queen Anne's County zoning ordinances and regulations, this Declaration and any exhibits and/or amendments thereto.

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3.4. Rights of Declarant During Development Period. Notwithstanding the foregoing votes of Declarant, during the Development Period, the Declarant shall have the right to appoint the majority of the members of the Board of Directors as provided for in the Bylaws of the Association. In addition, during the Development Period, the Declarant shall have the right to disapprove any action, policy or program of the Association, the Board or any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant or Builders or interfere with the development, construction or marketing of any portion of the Property or diminish the level of services being provided by the Association.

ARTICLE IV
PROPERTY RIGHTS

4.1. Member's Right of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Area, and such 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 By-Laws, and with the approval of the Members of the Association entitled to cast two-thirds (2/3rds) of the total votes of the Membership, to borrow money for the purpose of improving the Common Area in a manner designed to promote the enjoyment and welfare of the Members and, in aid thereof, to mortgage any of the Common Area, however, subject to the consent of the Declarant during the Development Period; 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 Area and to reasonably limit the number of guests of Members permitted to use any facilities which may be developed upon the Property, however, no rule may unreasonably interfere with Declarant's ability to develop, market and sell property in Gibson's Grant or Declarant's ability to generally conduct its business in the Development, and no rule may unreasonably interfere with the exercise of any easement; and

(d) the right of the Association to suspend the voting rights and the rights to use the Common Area for any period during which any assessment remains unpaid and for any period not to exceed thirty (30) days for any infraction of any of the published rules and regulations of the Association; and

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(e) the right of the Association to dedicate or transfer all or any part of the Common Area to 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 Members of the Association entitled to cast two-thirds (2/3) of the total votes of the Membership consent to such dedication, transfer, purpose and conditions, and unless the Association has the Declarant's consent to such dedication, transfer, purpose and conditions during the Development Period; and, provided further, that any such dedication or transfer shall also be subject to the limitations provided for herein this Article IV; and

(f) the right of the Association, to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, the installation of cable television lines, telephone lines, electric or gas lines, to any municipal agency, public utility, the Declarant or any other person; provided, however, that no such licenses, rights-of-way or easements shall be unreasonably and permanently inconsistent with the rights of the Members to the use and enjoyment of the Common Area; and

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

(h) the right of the Association to permit use of any recreational and/or community facilities situated upon the Common Area by persons other than Owners, their families, lessees, and guests, whether or not upon payment of user fees established by the Board, and the right to designate other areas and facilities within the Common Area as open for use and enjoyment by the general public; and

(i) the right of Declarant (and its sales agents and representatives) and Builders to the non-exclusive use of the Common Area for display and exhibit purposes and for such other purposes, as in the sole discretion of Declarant, may be reasonably required, convenient, or incidental to the construction, sale or rental of Lots, including but not limited business offices, signs or flags, which right Declarant hereby reserves for itself and Builders authorized by Declarant; provided, however, that such use shall not be for a period of more than ten (10) years after the conveyance of the Common Area to the Association, or the sale of all residential Lots within the Properties, whichever is earlier; provided further, that no such use by Declarant or its sales agents or representatives, or by Builders, shall otherwise restrict the Members in their use and enjoyment of the Common Area or facilities thereon.

4.2. Delegation of Right of Use. Any Member of the Association may delegate his/her rights to the use and enjoyment of the Common Area to the Members of his/her family who reside permanently with him/her and to his/her tenants and guests, all subject to such reasonable rules and regulations which the Association may adopt and uniformly apply and enforce.

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4.3. Limitations-General.

(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 and Private Roads, alleys and sidewalks within the Property for both ordinary and reasonable vehicular and pedestrian (as appropriate) ingress and egress to and from a Lot or Dwelling Unit and for parking, subject to such rules as may be adopted with respect thereto; however, the foregoing notwithstanding, the Declarant and/or the Association shall have the right, from time to time, temporarily to close streets and/or sidewalks for construction maintenance and repair.

(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 Area and community facilities for necessary, ordinary and reasonable pedestrian ingress and egress to and from a Lot or Dwelling Unit. Nor shall the Association have any right to suspend any easement over the Common Area for storm water drainage, electrical energy, water, sanitary sewer, propane gas, CATV service, telephone service or similar utilities and services to the Lots.

4.4. Limitations-Required. Project plans, preliminary plans and site plans for the Property ("Regulatory Plans") approved by Queen Anne's County, require that the Common Area of the Property shall be held and maintained by the Association subject to certain restrictions, easements or agreements in favor of the general public, Queen Anne's County, the Chesapeake Bay Environmental Center of the Wildfowl Trust of North American, Inc., and the Critical Areas Commission for the Atlantic and Coastal Bays ("Critical Area Commission") (hereinafter referred to as "Easements and Agreements"). The Easements and Agreements are binding upon the Association and its Members and the Association shall, acting through its Board of Directors, take all necessary action to comply with the provisions of such Easements and Agreements. Included among such Easements and Agreements are the following:

(a) Gibson's Grant Comprehensive Management Plan for the Conservation Lands and Buffer Zones approved by the Critical Area Commission (hereinafter referred to as the "Buffer Management Plan");

(b) Forest retention/easement areas as shown on the Plat;

(c) Deed of Conservation Easement protecting and conserving the Conservation Area. The Conservation Area shall be owned and maintained by the Association subject to that certain Conservation Easement in favor of the Chesapeake Bay Environmental Center of the Wildfowl Trust of North America, Inc. ("hereinafter referred to as "CBEC") recorded among the Land Records of Queen Anne's County, Maryland. The Conservation Easement is binding upon the Association and its Members and the Association shall, acting through its Board of Directors, take all necessary action to comply with the provisions of the Conservation Easement. The Conservation Easement grants to CBEC an easement and right to use the Conservation Area for educational program purposes for the general public and residents of Gibson's Grant.

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(d) Deed of Open Space, Shore Buffer and Forest Conservation Easement dated October 26, 2006 and recorded among the aforesaid Land Records.

In addition, the County requires ten percent (10%) of the Dwelling Units within Gibson's Grant to be Moderately Priced Dwelling Units ("MPDU") as set forth in Queen Anne's County Resolution 05-19. Lots improved by an MPDU may, in addition to this Declaration, be subject to additional covenants, conditions and restrictions applicable only to the MPDUs, which covenants may provided for reductions in assessments and costs attributable to said MPDUs and which covenants, if entered into, shall be recorded among the Land Records for Queen Anne's County, Maryland.

4.5. Transfers and Conveyances by Declarant. Declarant and its designees may Transfer or convey to the Association interests in real or personal property within or for the benefit of the Development, and the Association shall accept such transfers and conveyances. Such property may be improved or unimproved and may consist of fee simple title, easements, leases, licenses, or other real and personal property interests. Upon the request of Declarant, the Association shall reconvey to the Declarant any real property that Declarant originally conveyed to the Association for no payment, to the extent conveyed in error or needed to make minor adjustments in property lines or accommodate changes in the plans for the Development.

ARTICLE V
INSURANCE AND CASUALTY LOSSES

5.1. Insurance. (a) The Association's Board of Directors, or its duly authorized agent, shall have the authority to and may obtain insurance for loss or damage by fire or other hazards for all insurable improvements within the Common Area. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard.

(b) The Board of Directors shall have the authority to, and may also obtain, to the extent reasonably feasible, a general commercial liability or public liability policy covering the Common Area, and any other areas that are under the supervision of the Association. Any such general commercial or public liability policy shall be for such amount as deemed reasonable by the Board of Directors.

(c) Premiums for all insurance obtained by the Board of Directors or its duly authorized agent shall be a Common Expense and as such will be included in the Annual Maintenance Assessment. All policies obtained by the Board of Directors or its duly authorized agent may contain a reasonable deductible.

(d) All policies obtained by the Board of Directors or its duly authorized agent shall be for the benefit of the Association and the Lot Owners and their Mortgagees as their interests may appear.

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(e) Exclusive authority to adjust losses under policies obtained by the Board of Directors or its duly authorized agent shall be vested in the Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(f) The Board of Directors or its duly authorized agent shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Board of Directors, its manage, the Lot Owners, and their respective tenants, servants, agents, and guests;

(ii) that no policy may be canceled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Association or its duly authorized agent or on account of any one or more Lot Owners without prior demand in writing delivered to the Board of Directors to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Board of Directors, its duly authorized agent, any Lot Owner, or Mortgagee;

(iii) that any "other insurance" clause in any policy exclude individual Lot Owners' policies from consideration;

(iv) that no policy may be cancelled or substantially modified without at least ten (10) days' prior written notice to the Board of Directors.

(g) In addition to the other insurance required by this Article, the Board of Directors may obtain, as a Common Expense, directors and officers liability insurance, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds for directors, officers, employees, and other persons handling or responsible for the Association's funds.

ARTICLE VI
COVENANT FOR MAINTENANCE ASSESSMENTS

6.1. Annual Maintenance Assessments. 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, which has been improved with a Dwelling Unit 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 (hereinafter the "Annual 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:

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

(b) the cost of necessary management and administration of the Common Area, including fees paid to any management agent or agency;

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

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

(e) the cost of utilities and other services which may be provided by the Association, for the Common Area;

(f) the cost of maintaining, replacing, repairing, any landscaping within the Common Area, including, without limitation, maintenance of any storm water detention basins or the like located upon the Common Area, the entrance to Gibson's Grant, any landscaping along pathways and sidewalks within the Development, and any fencing which is the property of the Association but not located on the Lots;

(g) the cost of maintaining, replacing and repairing the Private Roads within the Property and any and all parking areas and walkways within the Common Area of the Property, including removal of snow therefrom over two inches (2") deep as further discussed in Article XII, Section 12.4 herein, and maintaining any striping within the Private Roads and parking areas;

(h) the cost of maintaining, repairing and replacing the median strips or islands within the Private Roads, if any, and within the public roadway known as John Gibson Drive, including but not limited to landscaping within said median strips or islands, said areas to be maintained by the Association being shown and depicted on Sheet SU-24 of the Plat;

(i) the cost of maintaining the Forest Conservation Areas in accordance with the Forest Protection Plan;

(j) the cost of providing for grass cutting and maintenance of all Common Area and the front yards of the Lots to the extent that the Association is able to gain access to the front yards;

QA CIRCUIT COURT (Land Records) [MSA CE 58-1844] SM 1630, p. 0743. Printed 11/29/2012. Online 09/02/2008.

(k) the cost of each Member's required per month emergency fire and rescue service fee contribution to the Kent Island Volunteer Fire Department ("KIVFD"), as more fully described in Section 6.8 below in this Article VI, which fees shall be remitted by the Association to the KIVFD on a quarterly basis;

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

(m) the cost of legal, accounting, architectural and other professional services;

The Annual Maintenance Assessment shall not include the Lawn Maintenance Assessment, the Townhome Exterior Maintenance Assessment, the Special Maintenance Assessment and shall not include the costs and expenses attributable to the Conservation Area, including but not limited to costs of maintenance, repair, replacement, management, and administration of the Conservation Area, which costs and expenses shall be collected as a separate assessment to be known as the Conservation Area Assessment as provided for in Section 6.2 below in this Article VI.

6.2. Conservation Area Assessment.

(a) Purpose of Conservation Area Assessment. In addition to the Annual Maintenance Assessment authorized by this Article, 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 which has been improved with a Dwelling Unit, 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 (hereinafter the "Conservation Area 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 costs and all expenses that the Association incurs or expects to incur in connection with the ownership, maintenance, and operation of the Conservation Area, including but not limited to the costs of maintenance, repair, upkeep and operation of the Conservation Area in accordance with and as required by the Easements and Agreements referenced in Article IV, Section 4.4, and including any operating reserve or reserve for repair and replacement of capital items maintained on or for the benefit of the Conservation Area.

At the same time that it prepares the annual operating budget for the Association, the Board shall prepare a separate annual budget covering the estimated Conservation Area costs and expenses expected to be incurred during the coming year. The annual operating budget for the Conservation Area shall be prepared along with the annual operating budget for the Association and in accordance with the same procedural provisions as set forth in Section 6.3 below.

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(b) Minimum Conservation Area Assessment. There shall be a Minimum Conservation Area Assessment for the Conservation Area to be set forth in the first annual operating budget for the Conservation Area prepared by the Board of Directors. Notwithstanding the costs and expenses specific to the Conservation Area expected by the Board of Directors to be incurred for any fiscal year, the annual Conservation Area Assessment shall not be set below this Minimum Conservation Area Assessment amount. To the extent that the Minimum Conservation Area Assessment exceeds the annual maintenance costs and expenses of the Conservation Area in any given fiscal year, then the surplus may be applied to the annual operating budget for the Association's Annual Maintenance Assessment or allocated to and deposited into the Conservation Area Reserve Fund as determined by the Board of Directors. Furthermore, notwithstanding any other provision of this Declaration, the Minimum Conservation Area Assessment shall not be eliminated, reduced, or otherwise amended unless the Conservation Area is no longer owned and maintained by the Association and unless and until CBEC has given its prior written approval.

(c) Chesapeake Bay Environmental Center ("CBEC") Fund. Ten percent (10%) of each Owner's annual Conservation Area Assessment shall be allocated to and deposited by the Association into the CBEC Fund. The CBEC Fund shall be established as a segregated account to be used by the Association to pay CBEC for its ongoing costs attributable to: (i) enforcement of the Conservation Easement; (ii) costs and expenses of administration related to CBEC's duties and obligations under the Conservation Easement; (iii) a portion of costs and expenses of educational programming activities provided or conducted by CBEC on the Conservation Area.

(d) Conservation Area Reserve Fund. Five percent (5%) of each Owner's annual Conservation Area Assessment shall be allocated to and deposited by the Association into the Conservation Area Reserve Fund. The Conservation Area Reserve Fund shall be established as a segregated account to be used for capital improvements and the repair and replacement of capital improvements in the Conservation Area. The Conservation Area Reserve Fund may be expended only for the purpose of constructing, repairing and replacing capital improvements in the Conservation Area. Expenditures from the Conservation Area Reserve Fund are subject to the approval of CBEC.

6.3. Calculation of Annual Assessments. The Annual Maintenance Assessment, the Conservation Area Assessment, the Lawn Maintenance Assessment and any Special Maintenance Assessments (hereinafter sometimes referred to collectively as the "Annual Assessment(s)", shall be calculated by allocating equally among each of the Lots subject to assessment, the total sum required by the Association, as established by the Board (and if during the Development Period, consented to by the Declarant), to meet its annual common expenses.

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

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Any Member may prepay one or more installments on any Annual Assessments 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 Area. The Board of Directors 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 such 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 be sent to the 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 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 for the preceding period shall continue until a new maintenance assessment is fixed. No Member may exempt himself/herself from liability for maintenance assessments by abandonment of any Lot belonging to him/her or by the abandonment of his/her right to the use and enjoyment of the Common Area and community facilities.

Except as may be specifically provided for herein, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the Dwellings or their appurtenances and the responsibility and duties of the Association for maintenance and repairs shall be limited to the Common Area of the Community. The Owner of any Lot shall, at his own expense, maintain his Lot and Dwelling and any all appurtenances thereto, in good order, condition and repair and in a clean, sightly and sanitary condition at all times as set forth in Article XII herein.

6.4. Lawn Maintenance Assessment. In addition to the regular maintenance assessment authorized by this Article, fee simple Owners of Lots within the Property shall be deemed to covenant to pay to the Association, a monthly lawn maintenance assessment required by the Association to meet the annual expense of the regular mowing of grass on the front lawns of each and every Lot within the Community. Each Member shall be assessed for the mowing of front yard lawns based on Lot type in an amount to be set annually and in accordance with a schedule established by the Board of Directors. The lawn maintenance assessment shall be payable on a monthly basis; however, upon resolution of the Board of Directors, the lawn maintenance assessment may be levied and collected on a bi-monthly, quarterly or semi-annual basis.

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6.5. Townhome Exterior Assessment. Upon the written application of at least two-thirds (2/3) of the owners of the Lots in one or more Townhome Groups, with respect to specific Townhome Groups, or at least two-thirds (2/3) of the owners of all the Townhome Lots, with respect to all of the Townhomes, and with the concurrence of the Architectural Review Committee, the Board may make, or cause to be made, exterior alterations, repairs or improvements, including but not limited to, painting, siding and roof shingles, to one or more Townhome Groups or Townhomes. The purpose of this Townhome Exterior Assessment is to ensure that desirable or needed improvements or repairs to two (2) or more Townhome Units can be made at the same time to maintain the compatibility and complementary aspects of Townhome Units within a Group and among all Townhome Units. The Board shall have the authority to assess each Townhome owner for its pro-rata costs of such exterior alterations, repairs or improvements. Any assessment made under this provision shall not exceed the cost of the alteration, repair or improvement to the Townhome so assessed.

6.6. 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 assessments, 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 Area, including the necessary fixtures and personal property related thereto, the cost of construction or reconstruction, extraordinary repair or replacement of the sidewalks within the Development, and excessive snow and ice removal from the Private Roads and common sidewalks, or for such other purpose as the Board of Directors may consider appropriate; provided, however, that any such assessment shall have the vote or written assent of the Members of the Association casting a majority of the votes at a meeting of the Association, duly called for this purpose, at which a quorum is present.

6.7. Reserves for Replacements. The Association shall establish and maintain a reserve fund for replacement of the Common Area by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors, which amount shall be included in and part of the Annual Maintenance Assessment. Such fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

The reserve for replacement of the Common Area may be expended only for the purpose of affecting the replacement of the Common Area, major repairs, equipment replacement, and operating contingencies of a non-recurring nature relating to the Common Area. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of any Member in any such reserves shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

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6.8. Emergency Service Facilities Impact Fees.

Included in the Annual Maintenance Assessment as set forth in Section 6.1 of this Article, each Member shall pay to the Kent Island Volunteer Fire Department ("KIVFD") a monthly emergency fire and rescue service fee (the "Emergency Service Fee"). Such Fee shall initially be in the amount of Seven Dollars and Fifty Cents ($7.50). Such Fee shall be increased annually by the amount which the Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. City Average All Items, published by the Bureau of Labor Statistics of Department of Labor of the United States (1982-1984) shall have increased above the level prevailing as of the date of build out of the Gibson's Grant Community. The Association shall remit payment of the Emergency Service Fee to the KIVFD on a quarterly basis. Payment of each Member's Emergency Service Fee shall be enforceable as set forth herein with respect to the balance of the assessment due from such Member.

The KIVFD is a volunteer organization that receives most of its operating funds from donations and fund-raising. The Emergency Service Fee is intended to provide annual revenue to the KIVFD from Gibson's Grant proportionate to the need for services generated by Gibson's Grant. However, it is not the intent of the County or the KIVFD that the residents of Gibson's Grant pay more than their proportionate share of operating costs. The Emergency Service Fee shall discontinue and will no longer be due and payable or shall be reduced, if any of the following events occur: (1) the KIVFD is dissolved or becomes inactive; or (2) in the event Queen Anne's County or any other governmental authority adopts a fire tax or special tax or fee for the purpose of funding annual operations and maintenance of the KIVFD, then the amount of the annual assessment called for herein shall be reduced by the amount of said fee or tax paid by each Member to the Association.

6.9. Increase in Annual Maintenance Assessment.

(a) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the Annual Maintenance Assessment for all Memberships may be increased by the Board of Directors without a vote of the Membership, by an amount equal to twenty percent (20%) of the Annual Maintenance Assessment for the preceding year plus the amount by which the prevailing local area 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 and utility costs payable by the Association have increased over amounts payable for the same or similar items for the previous year.

(b) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the Annual Maintenance Assessments for all Memberships may be increased above that established by the preceding paragraph by a vote of the Members, as

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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 vote or written assent of the Members of the Association casting a majority of the votes at a meeting of the Association duly called for this purpose, at which a quorum is present, and if during the Development Period, shall have the consent and approval of the Declarant.

6.10. Increase in Conservation Area Assessment. From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the Conservation Area Assessment may not be increased by more than the percentage increase in the prevailing local area Consumer Price Index for the preceding year without the vote or written assent of the Members of the Association casting a majority of a votes at a meeting of the Association duly called for this purpose, at which a quorum is present, and if during the Development Period, shall have the consent and approval of the Declarant.

6.11. Notice & Quorum for Any Action Authorized Under Article VI, Sections 6.2, 6.9 & 6.10.

Written notice of any meeting called for the purpose of taking any action authorized under this Article VI, Sections 6.2, 6.9 & 6.10 herein shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of the Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

6.12. Capitalization of the Association. At the time of the first conveyance of each Lot within Gibson's Grant which is improved by a Dwelling Unit to an Owner, each such Owner shall make a non-refundable contribution to the Working Capital Fund of the Association in an amount equal to three (3) months' installments of the Annual Maintenance Assessment. The Working Capital Fund shall be established as a segregated account to be used by the Association to assist in defraying its initial and ongoing operating expenses and other costs related to the completion and use of the Common Area and community facilities.

This payment shall be in addition to, not in lieu of, and not credited toward, the Annual Maintenance Assessment. The foregoing amount may be increased at the sole discretion of the Declarant. In no event, however, shall such increase be applicable to any prospective Owner who has, prior to the determination and notice of such increase to the Builder, executed a contract for the purchase of a Dwelling Unit.

QA CIRCUIT COURT (Land Records) [MSA CE 58-1844] SM 1630, p. 0749. Printed 11/29/2012. Online 09/02/2008.

ARTICLE VII
PAYMENT OF ASSESSMENTS

7.1. 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, including late fees and reasonable attorneys' fees, become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied and shall bind such Lot or Lots in the hands of the then Owners, his heirs, devisees, personal representatives and assigns. The personal obligation of the Member to pay such assessment shall, in addition, remain his personal obligation for the statutory period and a suit to recover a money judgment for nonpayment 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.

(a) Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid within ten (10) days after it is due, may, upon resolution of the Board of Directors, bear interest at a rate not to exceed the maximum legal rate permitted from time to time in the State of Maryland, and may, by resolution of the Board of Directors, subject the Member obligated to pay the same to the payment of such penalty or "late charge" as the Board of Directors may fix, 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 now or hereafter provided for the foreclosure of mortgages, deed of trust or other liens on real property in the State of Maryland containing a power of sale and consent to a decree, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs and reasonable attorneys' fees of not less than twenty-five percent (25%) of the sum claimed shall be added to the amount of each assessment.

(b) The Association may establish and enforce a lien for any assessment, annual, special or additional granted herein, pursuant to the Maryland Contract Lien Act. A lien is imposed upon the Lot against which such assessment is made. A lien may be established and enforced for damages, cost of collection, late charges permitted by law, interest, and attorneys' fees provided for herein or awarded by a court for breach of any of the covenants herein.

(c) The Association may notify the holder of the First Mortgage on any Lot for which any assessment levied pursuant to this Declaration becomes delinquent for a period in excess of thirty (30) days and in any other case, where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days, but any failure to give such notice shall not affect the validity of the lien for any assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities established in this Article.

7.2. 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

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legitimately interested in the same) a certificate in writing signed by an officer of the Association, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed Twenty-five Dollars ($25.00) may be levied in advance by the Association for each certificate so delivered.

7.3. Acceleration of Installments. Upon default in the payment of any one or more installments of any assessment levied pursuant to this 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.

7.4. 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 lien 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 said lien were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance.

(c) 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 of 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 time such holder comes into possession of the Lot or prior to the foreclosure sale, except for claims for a proportionate share of such unpaid maintenance assessments resulting from a reallocation of such unpaid maintenance assessments among the Lots upon the Property. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not, however, relieve the mortgagee in possession or 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.

QA CIRCUIT COURT (Land Records) [MSA CE 58-1844] SM 1630, p. 0751. Printed 11/29/2012. Online 09/02/2008.

(d) No amendment to this Section shall affect the rights of the holder of any First Mortgage on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

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

7.5. Commencement of Annual Assessments. Except as may be otherwise resolved by the Board of Directors, the Annual Maintenance Assessment for Membership shall commence on the date a deed for the Lot to which such Membership is appurtenant is delivered by the Declarant to the Member. The Annual Assessment shall be prorated for the balance of the calendar year during which a deed for the Lot is delivered to the Member and shall become due and payable and a lien on the date a deed for the Lot is delivered to the Member.

7.6. Exempt Property. No portion of the Common Area shall be subject to assessment of any kind by the Association.

ARTICLE VIII
ARCHITECTURAL CONTROL

8.1. Architectural Review and Control by Declarant. By accepting a deed or other instrument conveying any interest in any portion of the Property, each Owner, including a Builder, acknowledges that the Declarant, as the developer of the Property and as an owner of portions of the Property as well as other real estate within the vicinity of the Property, has a substantial interest in ensuring that the improvements within the Community enhance the Declarant's reputation as a community developer and do not impair Declarant's ability to market, sell, or lease its property. Therefore, during the Development Period as defined in Article I above, the Declarant shall have authority over all architectural matters within Gibson's Grant. No activity within the scope of this Article shall be commenced on such Owner's Lot unless and until Declarant has given its prior written approval for such activity, which approval may be granted or withheld in the Declarant's sole discretion. In reviewing and acting upon any request for approval, Declarant or its designee shall be acting solely in Declarant's interest and shall owe no duty to any other Person.

8.2. Delegation of Declarant's Architectural Review Authority by Declarant. Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights of architectural review authority under this Article VIII to (i) an Architectural

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Review Committee (hereinafter the "ARC") under Section 8.3 of this Article VIII; or (ii) a committee comprised of architects, engineers of, or any other persons who may or may not be Members of the Association, which committee of Persons may be chosen at Declarant's sole discretion. Any such delegation shall be by written instrument specifying the scope of responsibilities delegated which shall be recorded among the Land Records for Queen Anne's County, Maryland. Any such delegation shall at all times be subject to Declarant's right during the Development Period to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and Declarant's right to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason, and Declarant's right, during the Development Period, to exercise final authority and control over all aspects of architectural review. So long as Declarant has any rights under this Article, the jurisdiction of the foregoing entities shall be limited to such matters as Declarant specifically delegates to said entities. Notwithstanding the foregoing rights of delegation, Declarant may designate one or more Persons to act on its behalf in reviewing applications concerning architectural matters hereunder.

Declarant's rights reserved under this Article shall continue during the Development Period or for so long as Declarant owns any real estate described in Article II of this Declaration (including any Lots created as a result of a geographical enlargement of the subdivision), unless said rights are expressly terminated by Declarant. Unless and until such time as Declarant terminates it rights hereunder this Article, the Association (by the Board of Directors, the ARC or otherwise) shall have no jurisdiction over architectural matters. An express termination of any of Declarant's rights reserved under this Article shall be by written instrument which shall be recorded among the Land Records for Queen Anne's County, Maryland.

8.3. Architectural Review and Control by Association. During the Development Period as defined in Article I above, the Declarant, or its designee, shall have sole authority over all architectural matters within Gibson's Grant. Only upon delegation by Declarant or termination by the Declarant, of its rights of architectural review and control under this Article VIII, or upon transfer of Declarant's rights under the Article XIV, Section 14.3, shall the Association, acting through the ARC, have any jurisdiction over architectural matters. Once the Declarant has delegated, transferred or terminated its rights of architectural review and control, the purpose and function of the ARC shall be to maintain and protect within Gibson's Grant, a unique pleasant, attractive and harmonious physical environment grounded in and based upon a uniform plan of development and construction consistent with architectural and landscape standards embodied in the Design Guidelines.

(a) Architectural 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 Area and community facilities accomplished by the Declarant concurrently with said construction and development, and except for purposes of proper maintenance and repair, no building, fence, wall or other improvements or structures shall be commenced, directed, placed,

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moved, altered or maintained upon the Property, nor shall any exterior addition to or change (including any change of color or landscaping along a Lot line) 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 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 a Architectural Review Committee appointed by, and serving at the pleasure of, the Board of Directors.

Subject to the same limitations as herein above provided for, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, fences, wall, slabs, sidewalks, curbs, gutters, patios, balconies, decks, porches, driveways, or to make any change or otherwise alter (including any alteration in color or landscaping along a Lot line), in any manner whatsoever, the exterior of any improvements constructed upon any Lot or upon any of the Common Area, 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, height, 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 ARC) 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 Review Committee appointed by, and serving at the pleasure of, the Board of Directors.

All of the responsibilities and duties herein delegated to the Architectural 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 Review Committee shall apply with equal force to the Board of Directors acting in the capacity of such a committee.

(b) Architectural Review Committee - Operation. The Board of Directors shall appoint an Architectural Review Committee ("ARC"). The Architectural Review Committee shall be composed of an uneven number of at least three (3) or more natural persons designated from time to time by the Board of Directors. The affirmative vote of a majority of the Members of the Architectural 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 Architectural Review Committee may from time to time delegate its ministerial and policing functions to the Managing Agent.

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(c) Approvals, etc. Upon approval by the Architectural Review Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of the ARC 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 ARC fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within ninety (90) days after such plans and specifications (and all other materials and information required by the Architectural 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 Review Committee or by the Board shall in no way be construed as to pass judgment on the correctness of the location, structural design, suitability of water flow or drainage, location of utilities, or other qualities of the item being reviewed. The Board of Directors or the Architectural Review Committee, as applicable, shall have the right to charge a reasonable fee for reviewing such application in an amount not to exceed Fifty Dollars ($50.00). 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.

(d) Limitations. Construction or alterations in accordance with plans and specifications approved by the Architectural Review Committee pursuant to the provisions of this Article VIII shall be commenced within six (6) months following the date on which the same are approved by the ARC (whether by affirmative action or by forbearance from action, as in Section 8.3(c) of this Article VIII provided), and shall be substantially completed within twelve (12) months following the date of commencement, or within such period as the ARC 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 ARC 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 ARC without the prior consent in writing of the ARC. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the ARC to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

(e) 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 Review Committee in accordance with the provisions of this Article, the Architectural 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 Review Committee and constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of the Declaration as may be applicable.

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(f) Rules and Regulations, etc. The ARC may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be suitable for approval and may publish and record such statements of policy, standards, and 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 or requirement of this Declaration. The ARC 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.

(g) Appeals. Any Member dissatisfied with a decision of the ARC may, within seven (7) 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 ARC. 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 ARC, no such right of appeal will lie.

8.4. Design Guidelines, Landscape and Architectural Standards for Gibson's Grant.

(a) General. No improvements or structures of any kind, shall be erected, placed or structurally altered on any Lot or within the Common Area until complete plans and specifications showing location of the structure, building, fence or wall, and showing compliance with the Design Guidelines for Gibson's Grant have been approved by the Declarant or ARC as to the quality of workmanship and materials, harmony of external design with existing structures, and as to the location with respect to the topography and finished grade elevation.

Nor shall any modifications or alternations to existing improvements or structures, including but not limited to all exterior improvements, structures, and any appurtenances thereto or components thereof of every type and kind, and all landscaping features, including but not limited to buildings, outbuildings, swimming or wading pools, hot tubs, tennis courts, patios, patio covers, awnings, solar panels, painting or other finish materials on any visible surface, additions, walkways, sprinkler systems, garages, driveways, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, gardens, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, bark, exterior lighting, poles, sporting fixtures (temporary or otherwise) such as basketball goals, signs, exterior tanks, exterior air conditioning units, cooling, and heating equipment, be placed, erected, commenced, established or interlude until complete plans and specifications showing compliance with Design Guidelines for Gibson's Grant have been approved by the Declarant or ARC.

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The required submission to the Declarant or ARC shall be determined by the Declarant or ARC and may include, but not be limited to, a site plan, construction plans, exterior specifications (including color of brick, siding, roof, shingles, etc.), landscaping, drainage, exterior lighting, irrigation and other features of proposed construction, and finished grade elevations. The Declarant or ARC's approval or disapproval as required in this Declaration shall be in writing. The Declarant or ARC shall have the right to refuse such plans that it deems, in its sole discretion, as being not suitable or desirable. The Declarant or ARC shall not unreasonably withhold approval.

(b) Design Guidelines. The Declarant may provide initial Design Guidelines which may contain general and specific provisions applicable to all of the Property and which shall include, but not be limited to, The Gibson's Grant Pattern Book ("the Pattern Book"), the Supplemental Architectural & Landscape Guidelines, or manual(s) or other document(s) detailing or describing architectural standards, architectural review procedures or other rules and regulations for architectural control and landscape design, all of which shall be collectively known as and are referred to herein as the "Design Guidelines." Such Design Guidelines are hereby incorporated by this reference and shall be enforceable as if fully set forth herein. Design Guidelines are intended to provide guidance to Owners and Builders who seek to engage in development or construction, alterations or modifications within Gibson's Grant, and the Declarant or ARC shall make the Design Guidelines available to all Owners. In Declarant's discretion, such Design Guidelines may be recorded in the Land Records for Queen Anne's County, Maryland, in which event the recorded version, as it may be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

The Design Guidelines are not the exclusive basis for decisions of the Declarant or ARC and compliance with the Design Guidelines does not guarantee approval. Declarant shall have sole and full authority to amend the Design Guidelines as long as Declarant owns any Lots within the Property (including any Lots created as a result of a geographical enlargement of the subdivision), any Lots within future phases of Gibson's Grant, or any property adjacent to the Property, notwithstanding a delegation of any rights or review authority to the ARC. Upon termination or delegation of Declarant's architectural review authority to the ARC, the ARC shall have the authority to amend the Design Guidelines with the consent of the Board.

(c) The Pattern Book is intended solely to provide guidelines regarding certain design characteristics such as architectural massing, building types, heights, facades, styles, materials and details, lot layouts, landscaping and village street amenities within Gibson's Grant. Declarant does not make any guarantees that the improvements, plans, features, amenities and facilities depicted by artists renderings or otherwise described in the Pattern Book will be provided, or if provided, will be of the same configuration, styles, type, size or nature as depicted or described in the Pattern Book. The basic design guidelines of the Pattern Book, and the

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improvements, plans, features and amenities depicted therein, may be modified at any time and from time to time by the Declarant. The Pattern Book is subject at all times to change without notice, and the Declarant reserves the right to impose additional guidelines and requirements for any improvements to be constructed within Gibson's Grant.

(d) Limitation of Liability. The design standards and guidelines and architectural review procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of Gibson's Grant; they do not create any duty to any Person. Review and approval of any application pursuant to this Article are made on the basis of aesthetic considerations only, and the Declarant or ARC shall not bear any responsibility for ensuring (i) structural integrity or soundness of approved construction or modifications; (ii) compliance with building codes and other governmental requirements; or (iii) conformity of quality, value, size or design among Lots.

Declarant, the ARC, the Association, the Board, and any committee, or member of any of the foregoing shall not be held liable for soil conditions, drainage or other general site work, or for any defects in plans revised or approved hereunder, or for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot.

8.5. Prohibited Uses and Nuisances.

(a) Except for the activities of the Declarant during the construction or development of the community, or except with the prior written approval of the Board of Directors of the Association or the ARC, or as may be necessary in connection with reasonable and necessary repairs or maintenance to any Dwelling or upon the Common Area:

(b) No noxious or offensive trade or activity shall be carried on upon any Lot, within any Dwelling Unit or on any Common Area, nor shall anything be done therein or thereon, which may be or become an annoyance or nuisance to the neighborhood or other Members. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Dwelling or upon the exterior of any other improvements.

(c) No commercial activities shall be conducted on any Lot, except that an Owner may conduct a professional occupation provided the occupation is conducted entirely within the Dwelling; there is no outdoor storage whatsoever associated with the occupation; the occupation does not employ anyone at the Dwelling who is not a resident of the Dwelling in which the professional occupation is conducted; and, the professional occupation does not violate any of the other conditions or restrictions contained herein this Declaration.

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(d) No nuisances shall be allowed within the Development nor any use or practice which is the source of annoyances to residents or which interferes with the peaceful possession and proper use of the Development by its residents. All parts of the Development shall be kept in a clean and sanitary condition and rubbish, refuse or garbage shall not be allowed to accumulate or any fire hazard allowed to exist. No burning of trash and no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials or trash of any other kind shall be permitted on any Lot.

(e) Trash, garbage and recycling containers shall not be permitted to remain in public view, except on days of trash collection. No incinerator shall be kept or maintained upon any Lot. Garbage, trash, recycling and other refuse shall be placed in tightly covered containers.

(f) Except for the Declarant's acts and activities in the Development, no change in the condition of the soil or the level of the land of the Development or any Lot shall be made which results in any permanent change in the flow or drainage of surface water of or within the Development, without the prior written consent of the Board.

(g) No gas, oil or other similar tanks shall be placed or maintained above the surface of the ground or underground on any Lot, except that Declarant may be permitted to place temporary above-ground tanks until such time as a permanent natural gas system is installed.

(h) Except as herein elsewhere provided, no junk vehicle, vehicle with a load capacity greater than one (1) ton and/or with more than two (2) axles and not more than four (4) wheels, trailer, house trailer, motor home, camper, recreational vehicle, vehicle with commercial lettering and signs (not including vehicles of a governmental agency), boat or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any Dwelling and except for such equipment and machinery as the Association may require in connection with the maintenance and operation of the Common Area and community facilities) shall be kept upon the Property (including streets, driveways, Lots and parking spaces) except in garages, nor (except in bona fide emergencies) shall the extraordinary repair or maintenance of automobile or other vehicles be carried out thereon. The Association may, in the discretion of the ARC, adopt and promulgate such additional rules and regulations in this regard as it deems necessary or desirable.

(i) The overnight parking of vehicles of any kind upon the Common Area is prohibited, except in designated parking areas.

(j) No all terrain vehicles ("ATV's"), off-road motorcycles or off-road motor vehicles of any kind shall be allowed on any of the Common Area.

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(k) The maintenance, keeping, boarding or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited on any Lot or within any Dwelling, except that this shall not prohibit the keeping of dogs, cats or customary household animals as domestic pets, provided that such animals are not kept, bred or maintained for commercial purposes and, provided further, that such domestic pets are not a source of annoyance or nuisance to the neighborhood or Owners and do not roam at large. The Board of Directors or, upon resolution of the Board of Directors, the ARC, shall have the authority, after hearing, to determine whether a particular pet is, or a particular number of pets are, a nuisance or a source of annoyance to other Members, and such determination shall be conclusive. Pets shall not be permitted upon the Common Area or Open Space or on any Lot except for the pet owner's Lot, unless accompanied by a responsible person and unless they are carried or leashed. The Owner of any pet shall immediately remove from the Property any excrement deposited on the Property by such Owner's pet. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets that it may from time to time consider necessary or appropriate, including rules imposing fines.

Any Owner who keeps or maintains any pet on any portion of the Property shall be deemed to have indemnified and agreed to hold harmless the Association and the Declarant from any loss, claim or liability of any kind or character whatsoever arising by reason of keeping or maintaining such pet.

(l) Portions of Lots where Declarant or a Builder originally installed landscaping, trees, hedges, plantings, or other landscape feature shall be maintained as a landscaped area in accordance with the Gibson's Grant Landscape Plan, the Design Guidelines and/or rules and regulations of the ARC.

(m) No structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction or flow of any drainage easements.

(n) No tree, hedge, or other landscape feature shall be planted or maintained in a location, which obstructs sight-lines for vehicle traffic on streets and roadways.

(o) No fence shall be erected, maintained or permitted upon a Lot or any portion of the Development, unless the fence is in strict conformance with the Design Guidelines, and unless it is first approved by the Declarant or the Architectural Review Committee.

(p) Except for hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, television cable or

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similar transmission line shall be installed or maintained on any Lot above the surface of the ground.

(q) Except for entrance signs, directional signs, private security system signage affixed to the exterior of a Dwelling and not exceeding eight and one-half inches by eleven inches (8 ½" x 11"), signs for traffic control or safety, and such promotional signs or signs as may be maintained by the Declarant or the Association, other than as provided by law, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any Lot or Dwelling, provided, however, that a temporary real estate sign not exceeding six (6) square feet in area, may be erected upon any Lot or attached to any Dwelling placed upon the market for sale or rent. Any such temporary sign shall be removed promptly following the sale or rental of such Dwelling.

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

(r) No platform, playhouse or structure of a similar kind or nature (including basketball backboards) shall be constructed on any part of the Lot located in front of the front line of any Dwelling constructed on a Lot. Any such structure must have the approval of the Architectural Review Committee and must be properly maintained. Only playground equipment that is constructed of pressure-treated wood shall be permitted and approved by the ARC.

(s) No structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel, run, stable, outdoor clothes dryer, shed or other buildings shall be erected, used or maintained on any Lot at any time, without the prior written consent of the ARC.

(t) Installation of all television aerial or radio antenna and other devices intended to receive telecommunications signals such as direct broadcast satellite (DBS), television broadcast, and multipoint distribution service (MDS) (collectively referred to herein as "Antennae") shall be located in a low visibility area relative to the surrounding streets and shall require prior approval of the ARC. Installation of Antennae shall be governed by rules and regulations adopted by the Federal Communications Commission ("FCC"). The Board of Directors may adopt rules and regulations, consistent with the FCC rules and regulations, regarding such criteria as size, location and screening of antenna and satellite dishes. Aerials and antennas situated entirely within a Dwelling Unit, and not visible from the exterior, are permitted.

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(u) No Member shall make any private or exclusive or proprietary use of any of the Common Area except with the specific approval of the ARC and, then, only on a temporary basis and no Member shall engage or direct any employee of the Association on any private business of the Member during the hours such employee is employed by the Association, nor shall any Member direct, supervise or in any manner attempt to assert control over or interfere with any employee of the Association.

(v) Reasonable rules and regulations concerning the use of the Development properties may be made and amended from time to time by the Association in the manner provided by the Articles and Bylaws. Copies of such rules and regulations and amendments shall be furnished by the Association to all Owners and residents of the Development upon request.

8.6. Residential Use. The Lots shall be used for private residential purposes exclusively, except that the use of a Dwelling Unit as a "no-impact home based business" as defined in Section 11B-111.1 of the Real Property Article, *Annotated Code of* Maryland (2003 Replacement Volume), Maryland Homeowner's Association Act shall be permitted provided that (a) such no impact home-based business is registered with the Board of Directors at least thirty (30) days in advance of the date on which such business is opened, (b) such maintenance and use is limited to the person actually residing in the Dwelling Unit, with no more than one (1) customer or client at a time visiting the business, (c) such maintenance and use is in strict conformity with the provisions of any applicable zoning law, ordinance or regulation, (d) no use shall be made in connection with said business of the Association's Common Area, and (e) no materials for the business shall be stored outside the Dwelling Unit. The foregoing specific provisions shall also apply with equal force to any permitted outbuildings or garages within each Lot. Nothing contained in this Article, or elsewhere in this Declaration, shall be construed to prohibit the Declarant or any Builder from the use of any Lot or Dwelling or improvements thereon, or the Common Area for promotional or display purposes, or as "model homes," a sales office and/or construction office, or the like.

Allowing a no-impact home business in the community does not constitute an endorsement or recommendation of any such business on the part of the Association.

8.7. Leasing. All Lots shall be used for private residential purposes. No Dwelling Unit or portion thereof shall be leased for transient or hotel purposes, or for any period less than twelve (12) months; provided, however, that any Owner, including Declarant, may rent a Dwelling Unit for a period of less than 180 days to a contract purchaser, but in no event for transient or motel purposes, and Declarant may sell and rent back a Dwelling Unit for purposes of operating a model home and/or sales trailer. An Owner of a Lot who leases his or her Lot shall, along with a written lease, be required to execute, along with his or her tenant, a lease addendum which shall include at least the following provisions:

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(a) that the right of the tenant(s) to use and occupy the Lot shall be subject to and subordinate in all respects to the provisions of this Declaration, and any by-laws, rules, regulations, and restrictions as are from time to time adopted by the Association;

(b) that the Owner shall provide the tenant(s) with copies of this Declaration, and any by-laws, rules, regulations, and restrictions as are from time to time adopted by the Association;

(c) that the tenant's breach of this Declaration, or any of the by-laws, rules, regulations, and restrictions as are from time to time adopted by the Association, shall constitute a breach of the lease;

(d) that the Owners failure to require his or her tenant's compliance with this Declaration, and any by-laws, rules, regulations, restrictions or any other applicable laws or ordinances, shall result in the Association, at the Owner's expense, enforcing the provisions of these documents against the tenant(s), such enforcement including, but not limited to, evicting the tenants;

(e) that the Owner's failure to pay the Annual Assessments, or any special or other assessment, or any installment thereof, levied against his or her Lot may result in the Association collecting the assessments directly from the tenant(s) and the tenant(s) deducting the assessment payment(s) from the rental payment owed to the Owner pursuant to the lease terms; and

(f) a copy of the lease and third party lease addendum shall be forwarded to the Association not more than fifteen (15) days after the lease and the addendum have been executed. The foregoing provisions of this subparagraph, except the restriction against use for hotel or transient purposes, shall not apply to a Mortgagee in possession of a Lot as a result of a foreclosure or other judicial sale or as a result of a proceeding in lieu of foreclosure.

8.8. Community Pier. Each Owner shall be entitled to use of the Community Pier for fishing, crabbing, sunbathing or water access (swimming/wading), etc.. Use of and access to the Community Pier by Owners shall be subject to rules and regulations as may be established by the Board of Directors from time to time. Use or storage of personal watercraft at or near the Community Pier shall be strictly prohibited. As set forth in Article XI, Section 11.4, the Community Pier is open for use by the general public and is subject to a perpetual non-exclusive easement for use by the general public.

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8.9. Community Rules, etc. There shall be no violation of any rules for the use of the Common Area and community facilities 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.

8.10. Reconstruction after Fire or Other Casualty Loss. In the event any Dwelling is partially or completely destroyed by fire or other casualty, and in the absence of a resolution to the contrary by the Board of Directors, the Owner of such Dwelling shall promptly restore or reconstruct such Dwelling, at his own expense, in accordance with the original plans and specifications or with such amended plans and specifications as may be approved in writing by the Board of Directors at the request of such Owner. The provisions of this Section shall not apply when prohibited by the First Mortgage holder, or when in conflict with any law, ordinance, municipal regulation or the like.

8.11. Enforcement - Right to Remove or Correct Violations. In the event any violation or attempted violation of any of the covenants or restrictions contained in this Article shall occur or be maintained upon any Dwelling Unit or Lot, or in the event of any other conduct in violation of any of the provisions or requirements of this Declaration, then the same shall be considered to have been undertaken in violation of the Declaration and, upon written notice from the Board and/or the ARC, such violation shall be promptly removed or abated. In the event the same is not removed, or the violation is not otherwise terminated or abated, within seven (7) days (or such shorter or longer period as may be required in any such notice) after notice of such violation is delivered to the Owner of the Lot upon which such violation exists, then the Board and/or the ARC shall have the right, through its agents and employees, to enter upon such Lot and to take such steps as may be necessary to remove or otherwise terminate or abate such violation and the cost thereof may be assessed against the Lot upon which such violation occurred and when so assessed, a statement for the amount thereof shall be rendered to the Owner of said Lot at which time the assessment shall become due and payable and a continuing lien upon such Lot, and a binding personal obligation of the Owner of such Lot. Any lien established upon a Lot by this Section 8.11 shall have the same priority as established in Article VI of this Declaration for liens due to nonpayment of assessments. Upon receipt of a written request, the Board and/or the ARC shall issue a written statement certifying as to the existence of any liens established pursuant to this Section 8.11 within fourteen (14) days following receipt of such written request. In the event that the Board and/or the ARC shall fail to issue such a written certification within the aforesaid fourteen (14) day period, a presumption shall be established that no such lien exists and the person or entity requesting the written certification shall be entitled to rely upon such failure to issue a written certification as conclusive evidence of the absence of any such lien. The Board and/or the ARC shall have the further right, through its agents or employees, to enter upon and inspect any Lot at any reasonable time for the purpose of ascertaining whether any violation of the provisions of this Article or any of the other provisions or requirements of this Declaration exist on such Lot; and neither the Board, the ARC, nor any such agent or employee of either shall be deemed to have committed a trespass or other wrongful act by reason of such entry or

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inspection.

ARTICLE IX
PARTY WALLS AND EASEMENTS

9.1. Party Walls. The rights and duties of the Owners of the Lots with respect to party walls shall be governed by the following:

(a) Each wall, fence, driveway or similar structure which is constructed as part of the original construction on the Property and any part of which is placed on the dividing line between separate Lots, shall constitute a party structure, and to the extent not inconsistent with the provisions of this Article IX, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

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

(c) If any such party structure is damaged or destroyed through the act of one adjoining Owner or any of his agents or guests or Members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such party structure, then the first of such Owner shall forthwith proceed to rebuild and repair the same to as good a condition as it was in formerly, without cost to the adjoining Owner.

(d) In addition to meeting the other requirements of these restrictive covenants, and of any building code or similar regulations or ordinances, any Owner proposing to modify, make addition(s) or rebuild his Dwelling Unit or to modify, make addition(s) to improvements on his Lot in any manner which requires the extension or other alteration of any party structure, shall first obtain the written consent of the adjoining Owner, which consent shall not be unreasonably withheld.

(e) The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

9.2. Encroachments. If any portion of a party wall shall encroach upon an adjoining Townhome or Duplex Lot, by reason of settlement or shifting of any building, or otherwise, a valid easement for the encroachment and for the maintenance of the same as long as the building stands, shall exist.

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9.3. Easements. Each Townhome and Duplex Lot and the Dwelling Units located thereon shall be subject to, and the same hereby are, declared to be easements to the benefit of the Owners of the adjoining and abutting Townhome and Duplex Lots and Dwelling Units located thereon, for the unobstructed and uninterrupted use of any and all pipes, ducts, flues, chutes, conduits, cables and wire outlets and utility lines of any kind, and to easements for lateral support of adjoining and abutting Dwelling Units, and to easements for the lead walks and sidewalks serving adjoining and abutting Dwelling Units.

ARTICLE X
MANAGEMENT

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

10.2. Duration of Management Agreement. Any management agreement entered into by the Association shall provide, inter alia, 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.

10.3. Limitation of Liability. The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Area or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Area. 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 Area 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.

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ARTICLE XI
EASEMENTS

11.1. Reservation of Easement Rights by the Declarant.

(a) The Declarant hereby reserves a non-exclusive easement and right-of-way in, through, over and across the Common Area for the purpose of the storage of building supplies and materials, the installation, construction, maintenance, reconstruction and repair of sanitary sewer lines, water lines, cables, storm drains and appurtenances to any of the same, and for all other purposes reasonably related to the completion of construction and the provisions of utility services, whether public or private, to the Community. Any and all instruments of conveyancing made by the Declarant to the Association with respect to any of the Common Area shall be conclusively deemed to incorporate this reservation, whether or not specifically set forth in such instruments. At the request in writing of the Declarant, the Association shall from time to time execute, acknowledge and deliver to the Declarant such further assurances of this reservation as may be necessary.

(b) The Declarant reserves the absolute right to grant easements and rights-of-way, both temporary and permanent, over the Common Area and community facilities to any and all governmental or quasi-governmental authorities and to any and all public utilities including, without limitation, Queen Anne's County, Maryland.

(c) The following easements and rights are hereby expressly declared or reserved to the Declarant:

(i) An easement to store building supplies, construction equipment, portable toilets, construction trailers and/or sales trailers and similar items on any Lot.

(ii) An easement to enter upon any Lot to grade a portion of the Lot adjacent to any street if the grading does not materially interfere with the use or occupancy of a residence built or to be built on such Lot; however, Declarant shall be under no obligation to perform such grading or to maintain any slope.

(iii) A right to amend any site plan, subdivision plat or record plat relating to the Property in such manner as Declarant deems advisable, including relocation of the easements or rights-of-way granted, if any such amendment is acceptable to or required by public authorities (including without limitation the Queen Anne's County) having the right to approve the site plan or subdivision plat and to make any dedications or grant any easements or rights-of-way necessary or desirable in connection with an amendment of the site plans or subdivision plat; however, no amendment shall alter the boundaries of any Lot without the prior written consent of the Owner of that Lot, nor shall any amendment deprive any Lot of necessary, ordinary and reasonable vehicular and pedestrian ingress and egress from the Lot to a public street or of storm

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water drainage, electrical energy, water, sanitary sewer, natural gas, telephone service or similar utilities and services to the Lot.

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

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

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

(v) Declarant reserves for itself, and others it may designate, the right to inspect, monitor, test, redesign, and correct any structure, improvement or condition which may exist on any portion of the Property within Gibson's Grant, including Dwelling Units, and a perpetual non-exclusive easement of access throughout Gibson's Grant to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Lot shall be only after reasonable notice to the Owner and no entry into a Dwelling Unit shall be permitted without the consent of the Owner. The person exercising this easement right shall promptly repair, at such person's own expense, any damage resulting from such exercise.

(vi) Declarant hereby reserves for itself, its successors and assigns and others it may designate, an easement over the Common Area for the purposes of enjoyment, use, access, and development of any property in the vicinity of the Development (i.e., in the vicinity of the

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property described in Article II, Section 2.1) whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Commons Areas for construction or roads and for connecting and installing utilities on such property and for the purpose of connecting to the infrastructure and utility lines in the Development.

11.2. Easements for Utilities and Related Purposes. The Association is authorized and empowered to grant (and shall from time to time grant) such other licenses, easements and rights-of-way over the Common Area/Open Space for electrical cables, telephone cables, gas lines, storm drains, cables, underground conduits and such other purposes related to the provisions of utility services to the Community as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the Association and for the preservation of the health, safety, convenience and welfare of the Owners or the Declarant.

11.3. Easements in Common Area.

Declarant grants to each Owner a non-exclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

(a) The Declaration and any other applicable covenants, rules or regulations;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) The Declarant's and/or Board's right to:

(i) adopt rules regulating use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;

(ii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;

(iii) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area; and

(iv) permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees, and guests upon payment of user fees established by the Board and designate other areas and facilities within the Common Area as open for use and enjoyment by the public.

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(d) Any Owner may extend his or her right of use and enjoyment to members of his or her family, lessees, and social invitees, as applicable, subject to reasonable Declarant and/or Board rules and regulations.

11.4. Perpetual Non-Exclusive Easement in Common Area Available for Public Use. Certain portions of the Common Area, specifically the Conservation Area, the Cross Island Trail/Public Path Network, waterfront park areas, and Community Pier, but excepting the community center/facilities shall be and the same hereby are declared to be subject to a perpetual non-exclusive easement for the use by the general public of said Conservation Area, Cross Island Trail/Public Path Network, waterfront park areas and Community Pier for pedestrian and passive recreational uses only, subject to the reasonable rules and regulations of the Development, and subject at all times to the Conservation Easement. This easement for public use constitutes a servitude upon the land and runs with the land, and the Association shall not terminate said easement without the express, written approval of Queen Anne's County, Maryland.

11.5. Easement to CBEC. The Declarant hereby grants to CBEC, its agents and contractors, a perpetual nonexclusive easement and right-of-way, in, through, over and across the Conservation Area and other Common Area within the Community for all purposes reasonably associated with the inspection of the Conservation Area, for purposes of carrying out its duties and obligations and exercising its rights of enforcement under the Conservation, for purposes conducting educational programming and activities related to natural resource and wildlife conservation, and for purposes of promoting public educational uses and events focused on the natural, open space and scenic resources of the Conservation Area.

11.6. Easement to Queen Anne's County, Maryland – Stormwater Management. The Declarant hereby grants to the Queen Anne's County, Maryland ("County"), a body politic, its agents and contractors, a nonexclusive easement and right-of-way, in, through, over and across the Common Area for all purposes reasonably associated with the inspection, operation, installation, construction, reconstruction, maintenance or repair of any stormwater management facilities constructed upon the Property; and in the event that, after reasonable notice to the Association by the County, the Association shall fail to maintain any stormwater management facility constructed on the Property in accordance with applicable law and regulations, then the County may do and perform all necessary repair maintenance work and assess the Association for the cost of the work.

11.7. Easement to Queen Anne's County, Maryland – Emergency Access. The Declarant hereby grants to the Queen Anne's County, Maryland ("County"), a body politic, its agents and contractors, a nonexclusive easement and right-of-way, in, through, over and across the Manor House lane Emergency Access Easement as depicted on Sheet SU-3 and the Utility and Emergency Access Easements as depicted on Sheets SU-12 and 21 of the Plat for purposes of emergency public access, ingress and egress and shall have the right to inspect same.

11.8. Easement for Maintenance of Critical Areas, Etc. Declarant hereby grants to the County, and to the Association a non-exclusive easement and right-of-way in, through, over and across the Property for purposes of maintaining the critical areas, forest buffers, as shown on the

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Plat, and the slopes and landscaping in such areas, if any. The granting of any Lot by the Declarant or its successors or assigns shall be conclusively deemed to incorporate this easement and right-of-way, whether or not specifically set forth in such grant.

11.9. Existing Utilities. The rights and duties with respect to previously installed sanitary sewer and water, cable television, electricity, gas and telephone lines and facilities shall be governed by the following:

(a) Whenever water, sanitary sewer, electricity, gas, cable television or telephone connections, lines, cables or any portion thereof, are or have been installed within the Property, the Owner of any Lot, or the Association shall have the right, and are hereby granted an easement to the extent necessary therefor, to enter upon or have a utility company enter upon any portion of the Property in which said installation lies, to repair, replace and generally maintain said installations.

(b) The right granted in subsection (a), above, shall be only to the extent necessary to entitle the Owner or Association served by said installation to its full and reasonable use and enjoyment, and provided, further, that anyone exercising said right shall be responsible for restoring the surface of the easement area so used to its condition prior to such use.

(c) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to its Board of Directors, who shall decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

11.10. Easement for Landscaping and Related Purposes. There shall be and is hereby reserved to the Declarant, its successors and assigns, a perpetual and nonexclusive easement in, upon, over, across and through the Landscape Easement areas as depicted on the Plats and the Gibson's Grant Landscape Plan for maintaining the landscaping and any landscape related features within the Development in accordance with the Design Guidelines.

11.11. Specific Easements. Declarant also reserves for itself the right and power to grant and record such specific easements as may be necessary, in the Declarant's sole discretion, in connection with the orderly development of the Property. The Owner of any property to be burdened by any easement granted pursuant to this Section 11.11, if not the Declarant, shall be given written notice in advance of the grant. The location of the easement shall be subject to the written approval of the Owner of the burdened property, which approval shall not unreasonably be upheld, delayed or conditioned.

11.12. Easements of Record. It is recognized that the Development may be subject to restrictions, reservations, and easements which have been placed of record prior to the formation and filing hereof. Any existing restrictions, reservations, and easements of record (including, but

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not limited to, the Conservation Easement and certain easements for ingress and egress across, upon and through the Development) continue at all times to be subject to said easements, provided, however, that this paragraph shall not be deemed to reimpose the same.

ARTICLE XII
MAINTENANCE

12.1. Duty to Maintain Lots and Required Improvements. Owners shall keep their Dwelling Unit, their Lot and all other improvements therein or thereon, in good order and repair and free of debris, including, but not limited to, the seeding, watering and mowing of all lawns not mowed by the Association, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of the Dwelling Unit and other improvements, all in a manner and with such frequency as is consistent with good property management and the Design Guidelines.

If an Owner shall fail to maintain the Dwelling Unit, the Lot and the other improvements situated thereon as provided in this Declaration, the Board of Directors may appoint someone to enter upon said Lot to prevent such removal or alteration, correct drainage and to repair, maintain and restore the Lot and the exterior of the Dwelling Unit and any other improvements erected thereon. All costs related to such correction, repair or restoration shall become a lien upon such Lot, and such lien may be enforced in the same manner as an annual assessment levied in accordance with Article VII hereof. Any such lien shall be subordinate to the lien of any First Mortgage or deed of trust. Sale or transfer of any Lot shall not affect such lien. However, the sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure or any proceeding or act in lieu thereof, shall extinguish any such lien as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. No amendment to this Section 12.1 shall affect the rights of the holder of any First Mortgage on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

12.2. Easement for Exterior Maintenance. If any Dwelling Unit is situated on or near a Lot line such that proper exterior maintenance and repair of the Dwelling Unit cannot reasonably be accomplished exclusively on such Owner's Lot, then that Owner shall have an easement over that portion of the adjoining Lot as is reasonably necessary for such exterior maintenance and repair, including, but not limited to, painting, cleaning and washing and repairing windows.

12.3. Common Area and Community Facilities Maintenance. The Association shall maintain and keep in good order the Common Area and community facilities, including the Conservation Area, and shall expend such funds as necessary (including the payment of property taxes, if any) to assume maintenance in accordance with this Declaration. In addition, the

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Association, at the discretion of the Board of Directors or Architectural Review Committee, may maintain and keep in good repair rights-of-way and entry strips, whether owned as part of a Lot or dedicated for public use, so long as the rights-of-way or entry strips are within or appurtenant or serve or benefit the Property. This obligation shall include, but not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all storm water management ponds, landscaping of the Common Area, structures, entrance monuments, fences and improvements situated upon such areas, in accordance with the Gibson's Grant Landscape Plan and the Design Guidelines in general. The Association shall also maintain any entrance features and signage situated within the Property, or which serves or is appurtenant to the Property. Such maintenance shall include, but not be limited to, the repair and replacement of such entrance features, trails, recreation areas, signage and fences and such other improvements as determined by the Board of Directors or Architectural Review Committee of the Association.

The Association will comply with the terms of all of any easements and agreements, if any, that may binding upon the Common Area, including but not necessarily limited to those described in Articles VI and XI above.

The Association may, in the discretion of the Board of Directors, assume additional maintenance responsibilities upon all or any portion of the Property. In such event, the Association has the option to assess all costs of such maintenance against those Owners receiving or benefiting or being served by the additional services.

12.4. Mowing of Lawns on Lots and Snow Removal. The Association, as part of the assessments collected from the Owners, shall mow all of the front yards of the Lots within the Property to the extent that the Association is able to gain access to the yards. In addition, the Association, as part of the assessments collected from the Owners, shall be responsible for removal of snow over two inches (2") deep from the sidewalks and walkways located within the Gibson's Grant Common Area and not located on the Lots.

12.5. Private Roads Maintenance. The Association shall be responsible for maintaining, replacing and repairing, and keeping in good repair the Private Roads, including removal of snow therefrom over two inches (2") deep and maintaining any striping within the Private Roads and parking areas. Maintenance of the Private Roads shall also include the median strips or islands within the Private Roads, if any, including landscaping and mowing of same, and at the entrance area to the Community within the public right-of-way known as John Gibson Drive within those areas designated for maintenance by the Association as shown on Sheet SU-24 of the Plat. The Association shall also have the duty to maintain the Manor House lane, shown and designated as the "EMERGENCY ACCESS EASEMENT" on Sheet SU-3 of the Plat, for purposes of emergency public access, as required by Queen Anne's County, Maryland.

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ARTICLE XIII

SHORE BUFFER EASEMENT

13.1. Area Designated "Critical Area Shore Buffer". The Shore Buffer Areas shall consist of those designated on the Plat as "Critical Area Shore Buffer."

13.2. Specific Provisions Set Forth in "Buffer Management Plan". The provisions of the Queen Anne's County Critical Area Program require that lands within the Critical Area Buffer be restricted as to use in accordance with its provisions. The provisions of this Declaration are designed so that restrictions applicable to lands within the Critical Area Buffer and those set forth in the Buffer Management Plan shall apply to the Shore Buffer Areas.

13.3. Restrictions Pertaining to "Shore Buffer Areas". The Shore Buffer Areas shall not be reconfigured and shall be used only for uses permitted within the Critical Area Buffer in accordance with the Queen Anne's County Critical Area Program and in accordance with the Buffer Management Plan.

13.4. Right of Inspection. Queen Anne's County, Maryland, the Queen Anne's County Planning Commission or other department, agency or other public body or person duly authorized by the County shall have the right to enter on the Shore Buffer Areas from time to time for the sole purpose of monitoring, inspection and enforcement of the easement, covenants, conditions, limitations and restrictions. This easement extends only to those areas designated as Shore Buffer Areas and necessary access thereto.

ARTICLE XIV
GENERAL PROVISIONS

14.1. Amendment by Declarant. The Declarant hereby expressly reserves the right, in its sole and absolute discretion, at any time to unilaterally annul, waive, change, or modify any of the restrictions, covenants, agreements, conditions, reservations, easements created and established herein for any purpose, provided that it is the Owner of any property subject to the Declaration by an appropriate written instrument duly executed and recorded among the Land Records of Queen Anne's County.

In addition, Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure,

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or guarantee mortgage loans on the Lots; or (d) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent in writing.

14.2. Amendment by Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members entitled to cast two-thirds (2/3rds) of the total votes of the Membership, and Declarant's consent so long as Declarant owns any property subject to this Declaration (or owns any adjoining or adjacent lands which may become subject to this Declaration in accordance with Article II). Any amendment must be certified in a writing executed and acknowledged by the President or Vice-President of the Association recorded among the Land Records for Queen Anne's County, Maryland. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

14.3. Transfer of Declarant's Rights. Any and all rights, titles, and easements given to or reserved by Declarant in this instrument, including all the powers (including discretionary powers), duties and obligations given to, assumed by, or imposed upon Declarant by this instrument may be assigned and transferred, in whole or in part, to one or more persons or entities agreeing to assume, exercise, carry out and perform the same. The Declarant may, at any time deemed advisable by it, cause any and all of said rights, titles, easements and estates to be conveyed to the Association. Any assignment or transfer shall be made by an appropriate written instrument in which the assignee or transferee shall join for the purpose of evidencing his, its or their consent to the acceptance and assumption of such powers, duties and obligations, and such assignee or transferee shall thereupon have the same powers, duties and obligations, and such assignee or transferee shall thereupon have the same powers and be subject to the same duties and obligations as are herein given to, assumed by or imposed upon Declarant, Declarant thereupon being released therefrom. Any assignment or transfer shall not be effective until recorded among the Land Records of Queen Anne's County, Maryland.

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

14.5. View Impairment. Neither the Declarant nor the Association guarantees or represents that any view within or outside of Gibson's Grant will be preserved without impairment. The Declarant and the Association shall nave no obligation to prune or thin trees or other landscaping, and shall have the right to add trees and other landscaping within the Common Area from time to time, subject to applicable law. Any such changes to the Common Area or any other property within Gibson's Grant may affect views within or outside Gibson's Grant. There shall be no express or implied easements for view purposes or for the passage of light and air.

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14.6. Duration. Unless amended in accordance with the provisions of Section 14.1 or 14.2 of this Article and the other requirements of this Declaration, and except where permanent easements or other permanent rights or interests are herein created, the covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date of recordation of this Declaration, after which the said covenants shall be automatically extended for successive periods of ten (10) years each.

14.7. 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 to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants or restrictions cannot be adequately remedied by action at law or exclusively by recovery damages.

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

14.9. 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, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

14.10. No Dedication to Public Use. Except as specifically provided for, nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Area 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 Area.

14.11. Severability. Invalidation of any one of these covenants or restrictions by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

QA CIRCUIT COURT (Land Records) [MSA CE 58-1844] SM 1630, p. 0776. Printed 11/29/2012. Online 09/02/2008.

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

QA CIRCUIT COURT (Land Records) [MSA CE 58-1844] SM 1630, p. 0777. Printed 11/29/2012. Online 09/02/2008.

ATTEST: WHITE'S HERITAGE PARTNERS, LLC,
a Maryland Limited Liability Company,

Erin L. Anderson By: _____ [SEAL]
John H. Wilson, Authorized Person

STATE OF Maryland, COUNTY OF Queen Anne's, TO WIT:

I HEREBY CERTIFY that on this 9th day of October, 2006, before me, the subscriber, a Notary Public for the State and County aforesaid, personally appeared John H. Wilson, who acknowledged himself to be the Authorized person of White's Heritage Partners, LLC, a Maryland limited liability company (the "Company"), known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly Authorized Person of said Company by himself as the Authorized Person thereof.___,

WITNESS my hand and Notarial Seal.

ERIN L. ANDERSON NOTARY PUBLIC QUEEN ANNE'S CO., MD
My comm. exp. _____

Erin L. Anderson
Notary Public
My Commission Expires: 6/4/08

QA CIRCUIT COURT (Land Records) [MSA CE 58-1844] SM 1630, p. 0778. Printed 11/29/2012. Online 09/02/2008.

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Christopher F. Drummond,
Planning Commission Attorney

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

Cynthia L. McCann

QA CIRCUIT COURT (Land Records) [MSA CE 58-1844] SM 1630, p. 0779. Printed 11/29/2012. Online 09/02/2008.

EXHIBIT "A"

LEGAL DESCRIPTION

All that land described, shown and designated on the plats entitled "MAJOR SUBDIVISION OF GIBSON'S GRANT, Fourth Election District, Queen Anne's County, Maryland, Tax Map 57, Grid 04, Parcel 45" prepared by McCrone, Inc., registered engineers and surveyors, dated August 2005, revised August 2, 2006 and recorded among the Land Records of Queen Anne's County, Maryland at Plat Liber S.M 37, Folio 84A-BB.

QA CIRCUIT COURT (Land Records) [MSA CE 58-1844] SM 1630, p. 0780. Printed 11/29/2012. Online 09/02/2008.