AMENDED AND RESTATED CHESAPEAKE STATION HOMEOWNERS ASSOCIATION, INC. DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND LIENS

EXPLANATORY STATEMENT: On or about June 10th, 1982, the original Declaration of Covenants, Easements, Charges And Liens of Chesapeake Station were recorded among the Land Records of Calvert County, Maryland in Liber ABE 286, folios 36 et seq. Such original Declaration has previously been amended in accordance with a certain First Amendment Of Declaration Of Covenants, Easements, Charges And Liens recorded on February 5, 1986 among said Land Records at Liber 359, folios 167 et seq., and by a certain Second Amendment To The Declaration Of Covenants, Easements, Charges And Liens recorded on May 13, 1993 among said Land Records at Book 667, pages 076 et seq. (all collectively referred to herein below as the "Original Declaration"). Members of the Chesapeake Station Homeowners Association, Inc., as provided in § 11B-116 of the Md. Real Prop. Code Ann., 2015 Repl. Vol, 2019 Supp. and as otherwise required by Section 13(c) of the said Original Declaration, now desire and have voted to amend and restate the Original Declaration as hereinafter provided in this Amended and Restated Chesapeake Station Homeowners Association, Inc. Declaration of Covenants, Easements Charges and Liens.

THIS AMENDED AND RESTATED DECLARATION, has been approved this day of least 60% of the votes in the Chesapeake Station development at a meeting duly called and constituted.

NOW THEREFORE the said Original Declaration is hereby amended and restated in entirety by replacing in entirety the Original Declaration as follows:

WHEREAS, the Grantors of the original Declaration were the owners in fee simple of certain land and premises located in Calvert County, State of Maryland, and more particularly described and outlined in the Plats of Chesapeake Station, prepared by J. R. McCrone, dated July 20, 1979, and recorded at Plat Book ABE 1, folios 183 and 184 and Plat Book ABE 2, folio 2, and parcels A, B, G as shown on folio 182 of Plat Book ABE 1, among the Land Records of Calvert County, Maryland and by this reference made a part hereof; and

WHEREAS, the Members desire to maintain the Community as a single family residential community, and to insure a uniform plan and scheme of development, to provide for the preservation of the values and amenities in such community and for the maintenance of such open space, common improvements and other facilities, (a) by improvement of such residential lots and open space; (b) by protecting the respective owners of such residential lots and open space against any development or other use of any of the same in any manner which may

depreciate their value; (c) by guarding against the erection upon any of such residential lots and open space of any building or other improvements constructed through the use of improper or unsuitable materials; (d) by enforcing high standards of maintenance and operation of such open space, common improvements and other facilities for the benefit of the owners of such residential lots and of any other residents of such community; and (e) by granting and reserving rights, easements and other privileges; and (f) providing a means for the accumulation and use of funds, to further the aforementioned purposes, all in order to provide adequately for a residential community of the highest quality and character; and to this end, desires to subject the real property described as part of Chesapeake Station in Plat Book ABE 1, folios 182 through 184 inclusive and Plat Book ABE 2, folio 2, as described above herein and incorporated herein, together with all of the respective improvements thereon and all of the respective rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (all of which respective tracts improvements and appurtenances are hereinafter referred to collectively as "Plat", to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and the current and subsequent owners thereof; and

WHEREAS, the Members have deemed it desirable, for the efficient preservation of the values and amenities in said Community, to continue to maintain an association to which has been delegated and assigned the powers and duties of maintaining and administering the open spaces and other community facilities, providing certain maintenance, if any, upon the exteriors of the residential properties located within the Community, adopting, promulgating and enforcing rules regarding the property referred to in the Plat, administering and enforcing the within covenants and restrictions and disbursing the charges and assessments hereinafter created; and

WHEREAS, the CHESAPEAKE STATION HOMEOWNERS ASSOCIATION, INC., a Maryland nonprofit corporation without capital stock, has been chartered for the purposes of carrying out the powers and duties aforesaid.

NOW, THEREFORE, the Members declare and affirm that the real property described in the Plat shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved, subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter sometimes referred to as "covenants and restrictions") hereinafter set forth, all of which are declared and agreed to be in aid of a plan to maintain and enhance the property values of said Property, and shall be deemed to run with and bind the land whether referenced or expressly included in any subsequent deed, and shall inure to the benefit of and be enforceable by the Chesapeake Station Homeowners Association, Inc., its successors and assigns through its Board of Directors, and any person acquiring or owning an interest in said property and improvements, including, without limitation, any person, group of persons, corporation, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation.

ARTICLE I DEFINITIONS

The following words when used in this Amended and Restated Declaration (unless the context otherwise requires) shall have the following meanings:

- 1.1 "Act" shall mean and refer to the Maryland Homeowners Association Act, Title 11B, Md. Real Prop. Code Ann., 2015 Repl. Vol., 2019 Supp. and as amended from time to time thereafter.
- 1.2 "Alteration or Alterations" shall mean and refer to any change in color, material, location or size that palpably or perceptively varies or changes the form, shape, elements or specifications of a Structure from its original color, design or plan, or existing condition, in such a manner as to appreciably affect or influence its function, use, or appearance in any way.
- 1.3 "Assessment" shall mean and refer to the Annual Assessment, Special Assessment, and/or any other duly charged and assessed fee of the Association, including but not limited to, fines, late fee charges, administrative costs of collection, interest, Lot repair costs, attorneys' fees, litigation and court costs incurred for enforcement of this Declaration, or Rules and Regulations of the Association (whether suit is filed or not).
- 1.4 "Association" shall mean and refer to Chesapeake Station Homeowners Association, Inc., a Maryland nonprofit corporation, its successors and assigns, organized by filing Articles of Incorporation with the State Department of Assessments and Taxation.
- 1.5 "Architectural Committee" shall mean and refer to the committee appointed by the Board as provided in Article II, § 2.1 of this Declaration.
- 1.6 "Board or Board of Directors" shall mean and refer to the board of directors of the Association as constituted from time to time.
- 1.7 "Bylaws" shall mean and refer to the approved bylaws for the Association as amended from time to time.
- 1.8 "Common Areas" shall mean and refer to those areas of land, intended to be devoted to the common use and enjoyment of the Lot Owners of the Lots, including, but not limited to, real property or other facilities which the Association owns and/or in which the Association acquires a right of use for the benefit of the Association and its Members, including, but not limited to those areas depicted as "OPEN SPACE, all as shown on the Plat (as hereinabove defined), as well as any private storm drains, drainage and utility easements, landscaping and entrance monuments serving the Community, common walkways serving the Community and owned by the Association, and any fencing serving and owned by the Association, saving and excepting, however, so much of the land previously conveyed to a

governmental agency.

- 1.9 "Community" shall mean and refer to all of the land hereby made subject to the Original Declaration and this Amended and Restated Declaration by an instrument in writing, duly executed and recorded among the Land Records of Calvert County, and any Additional Property (as hereinafter defined) that may hereafter expressly be made subject to this Declaration by an instrument in writing, duly executed and recorded among the said Land Records.
- 1.10 "Declarant Developer" shall mean and refer to John D. Murray and Robert E. Ford, trading as Chesapeake Beach Park Associates, the original Declarant and Developer of Chesapeake Beach.
- 1.11 "Declaration" or "Amended and Restated Declaration" shall mean and refer to this Amended and Restated Declaration of Covenants, Easements, Charges And Liens, applicable to the Property and heretofore recorded among the Land Records, and any additions, amendments or modifications thereto.
- 1.12 "Dedicated Roadway Areas" shall mean and refer to those parking areas for the use of the Lots binding on them being portions of land and the improvements thereto, as shown on the Plat.
- 1.13 "Design Guidelines" shall mean and refer to architectural design criteria established and promulgated by the Board of Directors from time to time.
- 1.14 "Governing Document or Governing Documents" shall mean and refer to the Declaration, Bylaws, Rules and Regulations, articles of incorporation of the Association, the Design Guidelines and the administrative policies adopted by the Board of Directors.
- 1.15 "Lessee" shall mean and refer to any lessee or sublessee of any Lot or portion of any Lot.
- 1.16 "Lot" and/or "Lots" shall mean and refer to those portions of the Property that are subdivided parcels of land shown and defined as lots or plots of ground (exclusive of the Common Areas) and designated by numerals on the Plat, on which a dwelling exists, or is proposed to be constructed.
- 1.17 "Member" or "Members" shall mean and refer to a person or entity entitled to membership in the Association, as provided herein.
- 1.18 "Mortgage" means any mortgage or deed of trust encumbering any Lot or any or all of the Common Areas, and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement,

has been recorded among the Land Records of Calvert County.

- 1.19 "Mortgagee" shall mean the person secured by a Mortgage, and shall also include the beneficiary or holder of a deed of trust.
- 1.20 "Owner" or "Lot Owner" shall mean, refer to and include the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding the fee simple record title to a Lot, as said Lot is now or may from time to time hereafter be created or established, either in his, her, or its own name, as sole owner, joint tenants, tenants in common, tenants by the entireties, or tenants in co-partnership, if the Lot is held in such real property tenancy or partnership relationship. If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, hold the record title to any one (1) Lot, whether it is in a real property tenancy, or partnership relationship, or otherwise, all of the same, as a Lot, shall be deemed a single Lot Owner and shall be or become a single Member of the Association by virtue of ownership of such Lot. The term "Owner" or "Lot Owner" shall not, however, refer to or include any contract purchaser, nor the owner of any redeemable ground rent issuing out of any Lot, (but shall instead mean the holder of the leasehold interest that is subject to redemption under Title 8 of the Real Property Article, Annotated Code of Maryland) nor shall it include a Mortgagee.
- 1.21 "Parking Lot Assessment" shall mean and refer to the additional assessment assessed to and the obligation of those townhouse Lot Owners as shown on Plats III and IV of Chesapeake Station as recorded among the Calvert County Plat Records in Book 1, page 184 and Book 2, page 2 as provided in Article VIII, Section 8.2 of this Declaration.
- 1.22 "Plat" shall mean, collectively, the plats entitled "CHESAPEAKE STATION", as recorded among the Land Records of Calvert County in Plat Book ABE 1, folios 183 and 184 and Plat Book ABE 2, folio 2, and parcels A, B, G as shown on folio 182 of Plat Book ABE 1; and shall also include any plats recorded among the Land Records in substitution therefor or amendment thereof, plus any plats hereafter recorded among the Land Records of any Additional Property that may hereafter expressly be made subject to this Declaration by an instrument in writing, duly executed, and recorded among the Land Records.
- 1.23 "Property" shall mean and refer to all of the real property described in the Plat, and any additional land at such time as it is hereafter expressly made subject to this Declaration by an instrument in writing, duly executed and recorded among the Land Records of Calvert County, including but not limited to Lots and Common Area.
- 1.24 "Rules and Regulations" shall mean and refer to the prescribed written guides and mandates duly adopted and promulgated by the Board of Directors of the Association governing the use and condition of the Property and the conduct and actions, rights and obligations of persons using the Property in any way.

- 1.25 "Structure" means any thing or device the placement of which upon the Property (or any part thereof) may affect the appearance of the Property (or any part thereof) including, by way of illustration and not limitation, any building, trailer, garage, porch, shed, greenhouse, bathhouse, coop or cage, covered or uncovered patio, clothesline, radio, television or other antenna or "dish", fence, gate. sign, curbing, paving, wall, roadway, walkway, exterior light, landscape, hedge, tree(s), shrubbery, planting, signboard or any temporary or permanent living quarters (including any house trailer), or any other temporary or permanent improvement made to the Property (or any part thereof). "Structure" shall also mean, but not be limited to (i) any impervious surface, gravel or stone, excavation, fill, ditch, diversion, dam or other thing or device which affects or alters the natural flow of surface waters from, through, upon or across the Property (or any part thereof), or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across the Property (or any part thereof), and (ii) any change in the grade of the Property (or any part thereof) of more than six (6) inches from that existing at the time of first ownership by a Lot Owner.
- 1.26 "Visibility from Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six feet tall, standing on any part of adjoining or adjacent property at an elevation no greater than the elevation of the base of the object being viewed.

ARTICLE II COVENANTS, CONDITIONS AND RESTRICTIONS

2.1 <u>ADMINISTRATION; ASSOCIATION AND ARCHITECTURAL</u> <u>COMMITTEE</u>.

- (a) The affairs of the Community shall be governed by Chesapeake Station Homeowners Association, Inc, its successors and assigns, a non-stock corporation organized and existing under the laws of Maryland, which Association Board of Directors shall have the sole authority to interpret the Governing Documents for the Association.
- (b) Membership in the Association shall be comprised of and limited to all of those persons (each of whom is herein referred to as a "Member") who, either alone or in combination with one or more other persons, constitutes an Owner.
- (c) The Architectural Committee, whose members shall be appointed by, and who shall serve at the pleasure of the Board (the "Architectural Committee"), shall have all the rights, powers and duties granted to it pursuant to this Declaration and as delegated to it by the Board. The Board may, in its sole discretion, perform the duties of the Architectural Committee. Any Architectural Committee appointed by the Board shall be comprised of at least three (3) members and not more than five (5) members. All questions shall be decided by a majority of the members of the Board or its designated Architectural Committee, and such majority shall be necessary and sufficient to act in each instance and on all matters. Each member of the

Architectural Committee, now or hereafter appointed, shall act without compensation for services performed pursuant to this Declaration. The Board, with the advice of any Architectural Committee appointed by it, if any, shall have the right to establish Design Guidelines and Rules and Regulations pertaining to the architectural design criteria and the use and condition of the Lots and the Common Areas, and the conduct of the persons thereon or therein, which Design Guidelines and Rules and Regulations shall be made available to all Members.

2.2 ARCHITECTURAL REVIEW.

- No Structure shall be constructed on any Lot, nor shall any addition (a) (including awnings and screens), change, or alteration therein or thereto (including any removal of an existing structure, re-treatment by painting or otherwise of any exterior part thereof unless the original color and material are used) (collectively, "Alterations") be made to the exterior of any Structure and/or contour of any Lot, nor shall any work be commenced or performed which may result in a change of the exterior appearance of any Structure until the complete plans and specifications, showing the nature, kind, shape, dimensions, material, floor plans, color scheme, location, proposed topographical changes, the proposed construction schedule, and a designation of the party or parties to perform the work, have been submitted to and approved in writing by the Board or its designated Architectural Committee and until all necessary permits and any other governmental or quasi-governmental approvals have been obtained. The approval by the Board or its designated Architectural Committee of any Structure or Alterations shall in no way be deemed to relieve the Lot Owner of any Lot from his obligation to obtain any and all permits and approvals necessary for such Structure or Alterations, and obtaining any such permit or approval from the governmental authority does not alleviate the requirement that any such Structure or Alteration must be approved by the Board or its designated Architectural Committee prior to construction.
- (b) The Board or its designated Architectural Committee shall consider applications for approval of plans and specifications upon the basis of conformity with this Declaration, applicable law and the architectural design guidelines, if any, and shall be guided by the extent to which such proposal will insure quality, conformity and harmony in exterior design and appearance, based upon, among other things, the following factors: the quality of workmanship; nature and durability of materials; harmony of external design with existing surrounding structures; choice of colors; changes in topography, grade elevations and/or drainage; Visibility from Neighboring Property; consideration of water views of the Chesapeake Bay; the ability of the party or parties designated by the Lot Owner to complete the Structure or Alterations proposed in accordance with this Declaration, including, without limiting the foregoing, factors of public health and safety; the effect of the proposed Structure or Alterations on the use, water view, enjoyment and value of other neighboring properties, and/or on the outlook or view from adjacent or neighboring properties; and the suitability of the proposed Structure or Alterations with the general aesthetic appearance of the surrounding area.
 - (c) The Board or its designated Architectural Committee shall have the right

to refuse to approve any such plans or specifications, including grading and location plans, which are not suitable or desirable in its opinion, for aesthetic or other considerations. Written requests for approval, accompanied by the foregoing described plans and specifications or other specifications and information as may be required by the Board or its designated Architectural Committee from time to time shall be submitted by registered or certified mail or in person. The Board or its designated Architectural Committee shall make reasonable efforts to approve or disapprove any plans within sixty (60) days of receipt thereof; provided, however, that complete detailed plans and specifications properly submitted which have not been approved or rejected within ninety (90) days shall be deemed approved. Notwithstanding the foregoing, there can be no approval of any structure or change that violates the restrictions of this Declaration. All requests and approvals must be in writing. No oral requests will be considered and no oral approvals will be given. Approval of any particular plans and specifications or designs shall not be construed as a waiver of the right of the Board or its designated Architectural Committee 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. The Board or its designated Architectural Committee shall have the right to charge a reasonable processing fee for such requests, which shall be retained by the Association.

- (d) Decisions by the Architectural Committee of requests for approval may be appealed by any party affected by the decision if such appeal is submitted in writing and delivered as noted in the architectural procedures and guidelines adopted and promulgated by the Board from time to time, to the Board or its managing agent within ten (10) days of the date of the decision. Such appeal, if timely made, shall be considered by not less than a majority of the entire Board within forty-five (45) days of receipt thereof.
- (e) Construction of Alterations in accordance with plans and specifications approved by the Board or its designated Architectural Committee pursuant to the provisions of this Article II shall be completed within six (6) months of the date of approval of the Alteration(s), or within such longer period as shall be specified in the approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. After construction, all Structures and Alterations shall be maintained in good order, condition and repair continuously in strict conformity with the plans and specifications so approved and all applicable laws.
- (f) If any Structure is altered, erected, placed or maintained on any Lot other than in accordance with approved plans and specifications therefor and applicable law, such action shall be deemed to be a violation of the provisions of this Declaration and, promptly after the Association sends written notice thereof to the Lot Owner of such Lot at the address of record with the Association, such Structure shall be removed or restored to its condition prior to such action, and such use shall cease, so as to terminate such violation. If within thirty (30) days after having been sent such notice, such Lot Owner has not taken reasonable steps to terminate such violation, any officer, director or authorized agent of the Association may enter upon such Lot

and take such steps as are reasonably necessary to terminate such violation. Entry upon the Lot shall not be deemed a trespass. Such Lot Owner shall be personally liable to the Association for the cost thereof, to the same extent as he is liable for an Assessment levied against such Lot, and, upon the failure of the Lot Owner to pay such cost within ten (10) days after written demand therefor, the Association may collect such costs in the same manner and in accordance with and subject to the provisions of this Declaration applicable to an Assessment.

- (g) Any authorized agent of the Association, member of the Board or its designated Architectural Committee, upon the occurrence of a possible violation of the provisions of this Declaration, and after sending written notice thereof to the Lot Owner of the applicable Lot, at any reasonable time, may enter upon and inspect any Lot and the exterior of any Structure thereon to ascertain whether the maintenance, construction or alteration of such Structure or Alteration are in accordance with the provisions hereof. Such entry shall not be deemed a trespass.
- (h) Upon completion of construction of any Structure or Alteration in accordance with the provisions hereof and submission by the Owner to the Board or its designated Architectural Committee of a final inspection and acceptance documentation from any required issuing permit authority, the Board or its designated Architectural Committee, upon request of the applicant shall issue a Certificate of Compliance ("Certificate") identifying such Structure and the Lot on which such Structure is placed, and stating that the Structure has been completed pursuant to the terms hereof. The Certificate shall be retained in the records of the Association. Any Certificate issued pursuant hereto shall be *prima facie* evidence of the facts therein stated, and as to any title insurer, such Certificate shall be conclusive evidence that all Structures on the Lot noted in the Certificate comply with the provisions hereof as of the date of issuance.
- 2.3 LAND USE. The Lots, except as hereinafter provided, shall be used exclusively for private residential purposes. None of the Lots shall at any time be used for apartments or other types of multiple housing units; each and every one of the Lots shall be used solely as a single family dwelling and for no other purposes, except such purposes as may be specifically reserved in the succeeding sections of this Declaration. In no event shall any dwelling or Lot be used at any time for any commercial purpose, including but not limited to use for hotel purposes including, but not limited to, usage in conjunction with VFBO, Airbnb, Flipkey, Homestay, Roomorama, Rentalo and other such rental platform companies to use for short term rentals and transient purposes, provided however, that nothing in the foregoing shall preclude no-impact home-based businesses as more fully described below.
- 2.4 **NO-IMPACT HOME-BASED BUSINESSES**. Notwithstanding anything contained herein to the contrary, pursuant to the Act, "No-impact home-based businesses" are permitted upon the Lots subject to the following requirements:
 - (a) Owners shall notify the Association before operating a No-impact

home-based business.

(b) No-impact home-based businesses are expressly prohibited in any Common Areas.

(c) Such additional requirements, and/or any Rules and Regulations as may be adopted or amended by the Board as provided in this Declaration, to the extent permitted by applicable law.

The foregoing provisions of this Section are intended to be a restatement of the provisions of § 11B-111.1 of the Act, and any future amendments or modifications thereto shall be deemed incorporated by reference herein as a part hereof.

- (b) For purposes hereof, a "No-impact home-based business" means a business that:
- (1) Is consistent with the residential character of the dwelling which includes the requirement that either the Owner or the resident operating the no-impact homebased business resides in the dwelling;
- (2) Is subordinate to the use of the dwelling for residential purposes and requires no external modifications that detract from the residential appearance of the dwelling;
- (3) Uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors or that causes an increase of common expenses that can be solely and directly attributable to a No-impact home-based business; and
- (4) Does not involve use, storage, or disposal of any grouping or classification of materials that the United States Secretary of Transportation or the State of Maryland or any local governing body designated as a hazardous material.
- 2.5 **FAMILY CHILD CARE HOME**. The operation of a family child care home as such term is defined in § 11B-111.1 of the Act, i.e. one that is required to be registered by the State Department of Human Resources, is **prohibited** upon the Property. No residence shall be used as a family child care home. The prohibition stated herein may be eliminated, and family child care homes may be approved, by a simple majority of the total eligible voters of the Association under voting procedures contained in the Declaration or Bylaws of the Association. Any such elimination of the prohibition shall be recorded among the Calvert County Land Records as an amendment to the Declaration.

If the prohibition is eliminated as set forth hereinabove and in accordance with applicable

Maryland law, then such family child care home provider and Owner shall be subject to the following requirements:

- (a) The Owner or family child care provider (as defined in § 11B-111.1 of the Act) operating the Home shall be registered with and have a license issued by the Department of Human Resources, in accordance with the registration and licensing provisions set forth in Title 5, Subtitle 5 of the Family Law Article. The Owner or family child care provider shall furnish a copy of the license to the Association prior to establishing and operating the Home and upon each renewal thereof.
- (b) The Owner or family child care provider shall obtain the liability insurance described in §§ 19-106 and 19-202 of the Insurance Article, Annotated Code of Maryland, in at least the minimum amount described in those Sections. The Owner or family child care provider may not operate the Home without the liability insurance described herein, and shall present proof of insurance to the Architectural Committee before establishing and operating the Home and upon any renewal of the policy.
- (c) The Owner or family child care provider shall pay, on a pro-rata basis with other Homes then in operation in the Community, any increase in the insurance costs of the Association attributable solely and directly to the operation of the Home, upon presentation of a statement from the Association setting forth the increased costs and requesting payment of same. The increased insurance costs shall be considered an assessment against the Lot, and may be collected under the Maryland Contract Lien Act and in the manner set forth in this Declaration as an assessment.
- (d) The Owner or family child care provider shall not use any of the Common Areas for any purpose directly or indirectly relating to the operation of the Home.
- 2.6 <u>POOLS AND PONDS</u>. No pools or ponds are permitted on the Property, including but not limited to above or below ground swimming pools and landscape ponds. The foregoing shall not apply to spas or Jacuzzis which have been approved in advance by the Board or its designated Architectural Committee in its sole and absolute discretion, in accordance with the provisions hereof.
- 2.7 <u>TEMPORARY STRUCTURES</u>. No Structure of a temporary character, trailer, basement, tent, shed, shack, barn, pen, kennel, run, stable, garage, or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently, unless such type of Structures are approved in advance by the Board or its designated Architectural Committee in accordance with the provisions of this Declaration. No such structure exceeding six (6) feet in height is permitted on any Lot. Portable basketball apparatus may be located on a Lot if the Owner of said Lot obtains the prior written approval of the Board or its designated Architectural Committee as provided herein, and further provided that any additional Rules and Regulations duly adopted by the Association are followed and that such apparatus is stored out of view when

not in use and while in use does not disturb the neighbors. Neither portable nor permanent basketball apparatus shall be located in any Common Areas, including but not limited to any streets, sidewalks, parking areas or roadways.

- 2.8 LANDSCAPING. Except for flower and vegetable gardens, hedges and trees, which shall be neatly maintained at all times, all open space upon any Lot shall be maintained in lawn, which shall be kept mowed to height not to exceed four (4) inches. The Association may enter upon any Lot and may trim or prune, at the expense of the Owner thereof, any tree, hedge or other planting whose height or location upon the Lot is, in the sole judgment of the Board, unreasonably detrimental to any adjoining property, or that obscures the view of street traffic, or unreasonably obscures the view of the Chesapeake Bay from other Lots with the Property, or is determined unattractive, provided that such Owner is given not less than fifteen (15) days prior written notice of any such action. Flower and vegetable gardens may not contain plants or vegetables that are diseased, toxic or otherwise harmful to humans or animals.
- 2.9 <u>CLOTHESLINES</u>. No exterior clothes dryer, clothes pole or similar equipment shall be erected, installed or maintained on any Lot, nor shall articles of clothing, bedding, or similar items be hung outside; provided, however, if clotheslines are permitted under applicable Maryland law, the following restrictions shall be applicable:
- (a) Clotheslines may not exceed five feet by five feet (5'x5') or fifteen feet (15') in length;
- (b) Clotheslines shall not be visible from any road, street or parking lot nor shall they be placed in a location which interferes or blocks in any manner emergency or related access to the Units;
- (c) Clotheslines shall not be installed permanently and must be removed on a daily basis; and
- (d) Clothing shall not remain on any clothesline for any longer than twenty-four (24) hours.
- 2.10 <u>VIEW</u>. No Structure, landscaping, tree, shrubbery or any other obstruction shall be placed on any Lot so as to unreasonably block the view of the Chesapeake Bay from any Lot, nor the clear view of traffic on any streets, nor shall any planting be done on any corner Lots closer than twenty (20) feet from either street line that will exceed three (3) feet in height (except shade trees which shall be trimmed so that a clear view of the street may be maintained to the height of eight (8) feet) on these corner Lots. The height of any plant, tree or shrub on a Lot shall not unreasonably obscure views of the Chesapeake Bay from or create a hazard to neighboring properties.

- 2.11 **FRONT LAWN**. The area within the front of a dwelling, excluding the steps, stoop and walkway, shall be kept only as a lawn for planting of grass, trees, flowers and shrubbery as submitted to and approved by the Board or its designated Architectural Committee, and no other installations shall be permitted, including, without limitation, decorative lawn ornaments, landscaping logs, bricks, stone or the like, lighting fixtures, or underground watering systems, unless approved in writing by the Board or its designated Architectural Committee.
- NEAT APPEARANCE. Except for any maintenance and repair which the 2.12 Association may be obligated to perform hereunder, Owners shall, at all times, maintain their Lots and all appurtenances thereto in good condition, order and repair and in a state of neat appearance, including but not limited to, the painting or other appropriate external care of all Structures on the Lot, and the care, watering, trimming, pruning and maintenance of all lawns, trees, shrubs and other plants on the Lot, all in a manner and with such frequency as is consistent with good property management and maintenance. If, in the opinion of the Board or its designated Architectural Committee, any Lot Owner fails to perform the duties imposed hereunder, the Association, on the affirmative vote of a majority of the Board, after fifteen (15) days written notice sent to such Lot Owner to remedy the condition in question, and upon failure of the Lot Owner to remedy the condition, shall have the right (but not the obligation), through its agents and employees, to enter upon the Lot in question and to repair, maintain, trim, prune, repaint and restore the Lot and the improvements, plantings and/or Structures thereon, and the cost thereof shall be a binding, personal obligation of such Lot Owner, and collectible as an additional Assessment on the Lot. Such entry on the Lot shall not be deemed a trespass.
- 2.13 NUISANCES. No noxious or offensive trade or activity shall be carried on upon any Lot or upon the Common Areas, and no odor shall be permitted to emanate from any Lot, nor shall anything be done or placed thereon which may become an annoyance or nuisance to the neighborhood or any adjoining property owners, including, but not limited to hoarding or anything that would render the Lot unsanitary, unsightly, unreasonably offensive or detrimental, or dangerous to any property, residents or any occupant thereof. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such properly maintained and operated 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 Structure constructed upon any Lot. No snowmobiles, go-carts, motorbikes, trail bikes, other loud-engine recreational vehicles or skateboard ramps shall be run or operated upon any Lot, Common Area or upon any roadways, parking areas, sidewalks, boardwalks or decking serving the Property.
- 2.14 ANIMALS. No bees or insects of any kind, exotic or dangerous animals, livestock, ducks, geese or poultry of any kind, including pigeons, shall be raised, bred or kept on any Lot. A reasonable number of dogs, cats or other domestic animals customarily maintained in Maryland households, are permitted if not kept, bred, or maintained on the Lot for any commercial purpose, and provided that they are kept so as to avoid becoming a nuisance to the neighborhood or to any adjoining property owners, and do not roam unattended on the Property.

Household animals shall not include pot-bellied or miniature pigs, horses or other hybrid livestock or farm animals. No animal determined to be dangerous in the sole discretion of the Board shall be permitted to remain upon the Property, and the Board shall have the power to order any such animal to be permanently removed. Animals shall be registered, licensed and inoculated if required by law, and shall be walked on a leash and under the control of a responsible person at all times while on the Common Areas. Owners shall be responsible for the immediate clean-up and removal of their animal's waste, or the waste of an animal owned by a guest or tenant. The Board of Directors reserves the right, from time to time, to publish and impose additional reasonable regulations regarding animals and may set forth the type and number of domestic animals that may be kept on any Lot.

2.15 **VEHICLES**.

- (a) As used herein,
- (1) "Vehicle" means a Commercial Vehicle, Motor Vehicle, Recreational Vehicle, automobile, Large Truck, other truck or van (in each case, as defined by the Board, and by common usage and practice), trailer, motorcycle, bicycle, mo-ped, or other powered or unpowered vehicle.
- (2) "Commercial Vehicle" means any automobile, truck or van used or designed principally for commercial, business or industrial use and as further defined by the Board.
- (3) "Inoperable Vehicle" means any Vehicle, which is a junk Vehicle, or is inoperable, or lacks current, valid registration plates, or would not pass applicable state vehicular inspection criteria.
- (4) "Large Truck" means all step vans, walk-in vans, box trucks, rack trucks, or any other truck or van exceeding a ten thousand pound gross vehicle weight rating, and any self-propelled farm or construction vehicle, which is more than 24 feet long, or has a capacity exceeding three-quarters ton. The Board shall have the express authority to further define the term and adopt and promulgate rules and regulations regarding the same.
- (5) "Motor Vehicle" means a vehicle required by law to be registered with the Maryland Motor Vehicle Administration or another governmental authority or entity, or propelled by a motor.
- (6) "Recreational Vehicle" means any (1) boat, boat trailer, camp truck, camp trailer, golf cart, house trailer, personal water craft, snowmobile, recreational bus or similar vehicle, motor home, camper van or all-terrain vehicle, or (2) other powered or unpowered vehicle designed primarily for use for sports or recreational purposes.

(b) No Vehicle shall be parked or stored in the Community other than in accordance with the provisions hereof, and as further provided in Rules and Regulations adopted and promulgated by the Board, provided, however, that any Vehicles parked in the Common Area parking lots must be parked such that the Vehicle is completely within the marked parking space lines. No Vehicles shall be permitted in any Common Area outside the parking lots except for maintenance purposes.

In addition, only regular passenger automobiles, pick-up trucks, vans, and motorcycles in operating condition for the highway may be stored on a driveway located on a Lot or in the Common Area parking lots except as provided in this Section 2.15 (c) and (f).

- (c) Anything to the contrary notwithstanding herein, nothing herein shall prohibit the temporary parking of Commercial Vehicles while providing maintenance, repair or installation services on, or making a delivery to or from a Lot.
- (d) No automobile or other Vehicle shall be assembled, restored or repaired on the Property, other than for minor repairs such as oil, filter, battery, belt, wiper, light and tire changes, or emergency repairs which cannot reasonably be performed elsewhere, in each case if performed (1) on a Vehicle, including motorcycle, owned by an Owner of, and customarily kept on the Property, (2) using all appropriate environmental safeguards, and (3) in a continuous and timely manner.
- (e) No person shall operate a Vehicle, including a motorcycle, in the Community other than in a safe and quiet manner, and with due consideration for the rights of all Owners and occupants, or without holding a valid driver's license.
- (f) No all terrain vehicles, off-road motorcycles, "mini-bikes" or other types of off-road motor vehicles of any kind shall be permitted to operate within the Community, including the Common Areas, unless otherwise specifically permitted by applicable law.
- 2.16 <u>LIGHTING AND WIRING</u>. The exterior lighting on Lots shall be directed downward and shall not be directed outward from, or extend beyond, the boundaries of any Lot, except that lighting may extend into Common Area and to the street provided such lighting does not interfere with drivers. All wiring on any Lot shall be underground or if required on a dwelling then at the corners and edges of the dwelling structure and securely fastened.
- 2.17 <u>SUBDIVISION</u>. No Lot shall be divided or subdivided and no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose; provided, however, this shall not prohibit the granting of any easement or right-of-way to any person for any reasonable purpose.
- 2.18 **SIGNAGE**. Other than signs deemed necessary and appropriate by the Board to further the purposes of the Association, and excluding any directional signs, signs for traffic

control or safety or "for sale" signs not exceeding 2 feet by 3 feet which are placed in the front yard of a dwelling, no advertising or display signs of any character shall be placed or maintained on any part of the Property, including but not limited to on any dwelling or Structure. In addition to the foregoing, real estate rental or for sale sign and no candidate sign (as such term is defined in § 11B-111.2 of the Act), or a sign that advertises the support or defeat of any proposition, may be displayed in the Common Areas; any permissible candidate sign shall be displayed in accordance with provisions of federal, State and local law; and may only be displayed no more than thirty (30) days before the primary election, general election, or vote on the proposition to which it pertains.

2.19 **LEASING**.

- (a) All lease agreements with respect to any Lot or any Structure located thereon shall be in writing, shall be for a term of not less than six (6) months, and shall state therein that the lease agreement shall be subject to this Declaration, the Articles of Incorporation, Bylaws and Rules and Regulations of the Association. No portion of a Lot or Structure located thereon, other than the entire Lot and Structure thereon, may be leased and such Lot may be not be used for transient or hotel purposes. Rental of a Lot to anyone via such rental platforms as Airbnb, Vacation Rentals By Owner (VRBO), FlipKey, HomeAway, Roomorama and any other similar rental platform or company is prohibited unless it complies with the foregoing minimum rental terms as well as all other provisions for leasing of a Lot. Current copies of any lease (and any lease extensions) must be promptly forwarded to the Association. The Board of Directors may require Lot Owners to use a lease addendum prepared by the Board that requires the Lessee to pay to the Association the Lessee's rent if the Association has a statutory or judicial lien of public record against the Lot. A Lot Owner who does not reside on his Lot must provide to the Association his current mailing address and a telephone number where he or his agent can be contacted. Failure to do so will be considered a violation of the Declaration and fines may be imposed in accordance with Section 6.4(h) of this Declaration.
- (b) Any time during the lease term, including any extension renewal, or holdover term, if the Lot Owner becomes delinquent in any payment of any amounts due to the Association, the Board of Directors may, at its option, as long as such delinquency continues, demand and receive payment from the Lot Owner's lessee of all such amounts due or becoming due, up to an amount sufficient to pay all sums due from the Lot Owner to the Association, provided the Association has a statutory or judgment lien of public record securing such amounts. Any such payment from the Lessee to the Association shall be deemed a payment of rent under the lease. The Board of Directors may adopt and promulgate a lease addendum to assure compliance with this Declaration, which lease addendum must be fully executed with any lease. The provisions of this Section shall not apply to any institutional mortgagee of any Unit who comes into possession of the Unit by reason of any remedies provided by law, in such mortgage, or as a result of a foreclosure or other judicial sale, or as a result of any proceeding, arrangement, or deed in lieu of foreclosure. The Board of Directors has the power to terminate

such lease or to bring summary proceedings to evict the tenant in the name of the lessor thereunder, in the event of a default by the tenant in the performance of such lease, but is not required to do so.

- (c) Not more than twenty one (21) total Lots within the Association may be leased at any given time. Notwithstanding this limitation, upon written request, the Board of Directors in its sole discretion on a case by case basis, may permit leasing of any Lot on a temporary basis for good cause shown for relocation of residency purposes or other extenuating and special circumstances. The Board may allow leasing of a Unit in its sole discretion where record title has been conveyed to personal representatives of a Lot Owner's estate or where record title otherwise conveys upon the death of a Lot Owner.
- (d) Lot Owners as of the date of recordation of this Amended and Restated Declaration are not affected by the limitations on percentage of Lots leased as provided herein above. Upon any transfer of ownership after recordation of the Amended and Restated Declaration, the rental cap limitation will apply to the new Lot Owner(s) and will control the percentage of Lots that may be leased as to all Lot Owners taking title after the Amended and Restated Declaration is recorded among the Land Records of Calvert County, Maryland. In the event a Lot is owned by a trust, LLC or corporation, transfer of ownership will be deemed to occur upon the actual transfer of title of the Lot to any new owner or twenty years from the date this Amended and Restated Declaration is recorded among the Land Records of Calvert County, Maryland, whichever first occurs.
- 2.20 TRASH AND OTHER MATERIALS. No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot, except for (a) building materials used during the course of construction of any approved dwelling or other permitted Structure, and (b) firewood, which shall be cut and neatly stored at the rear of the dwelling Structure at least six (6) inches off the ground and twelve (12) inches away from any Structure. No burning of trash shall be permitted on any Lot. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open in accordance with local law or on any day that a pick-up is to be made at such place on the Lot as to provide access to persons making such pick-up. At all other times such containers shall be stored in such a manner so there is no Visibility from Neighboring Property, or from the roadway or Common Areas. Trash shall be disposed of in hard rubber or plastic containers covered with a lid. The Board may in its discretion, adopt and promulgate such other Rules and Regulations relating to the size, shape, color, number, type and manner of storage of any such container.
- 2.21 NON-INTERFERENCE WITH UTILITIES. 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 change, obstruct or retard direction or flow of any drainage channels. No poles and wires for the transmission of

electricity, telephone and the like shall be placed or maintained above the surface of the ground on any Lot.

2.22 TREE REMOVAL.

- (a) No Lot Owner shall have the right to remove any of the healthy growing trees having a diameter of three inches or more, as measured from a point two feet above the base of the tree at ground level, located on any of the Lots within the subdivision except upon prior written approval of the Board or its designated Architectural Committee. Only the Board or the Association's designated employees or agents shall be permitted to remove any tree from the Common Area.
- (b) Notwithstanding anything to the contrary herein, no removal of trees of any size or condition shall occur in violation of applicable Chesapeake Beach Town Ordinances or within the 100 foot Buffer Area adjacent to tidal waters surrounding Chesapeake Station except upon written approval of the Board of Directors or its designated Architectural Committee and with the provision that any removed tree be replaced on an equal basis except where such removal occurred to prevent blockage of water flow, damage to dwellings or other stuctures, or accelerated erosion of the shore or streambank.
- 2.23 <u>DISTRIBUTION OF WRITTEN INFORMATION AND MATERIALS</u>. Owners may distribute any written information or materials regarding the operation of, or matters relating to the Association, in any manner or place which the Board uses to distribute written information or materials, excluding, however, door-to-door distribution. The Board may regulate the time of distribution and impose any other restrictions that are permissible under Section 11B-111.3 of the Maryland Homeowners Association Act, as amended from time to time, and any other applicable law.
- 2.24 <u>PARTY WALLS</u>. (a) Every wall depicted on the Plat as being partly in one Lot and partly in an adjacent Lot, or on the Lot line is a party wall, and to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply.
- (b) The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.
- (c) If a party wall is destroyed or damaged by fire or other casualty, any Owner who has use of the wall may restore it, and if the other Owner(s) thereafter make use of the wall, such Owner(s) shall contribute to the cost of restoration thereof in proportion to such use without prejudice to the right of any Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

- (d) Notwithstanding any other provision of this Section, an Owner who by such Owner's negligent or willful act or omission causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.
- (e) The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE III PROPERTY SUBJECT TO THIS DECLARATION

3.1 **PROPERTY**. The real property which is, and shall be, transferred, held, sold, conveyed and occupied subject to this Declaration is located in the Association, and is described on the Plat, all of which real property is referred to herein as the "Property".

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

4.1 <u>MEMBERSHIP</u>. Every Lot Owner of a Lot that is subject to assessment shall become and be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment.

4.2 CLASS OF MEMBERSHIP.

- (a) The Association shall have one class of voting membership, i.e. Class A. The Class A Members shall be all Lot Owners holding title to one (1) or more Lots; provided, however, that any Mortgagee or any other person or entity who holds such interest solely as security for performance of an obligation shall not be a Class A Member solely on account of such interest. Each Class A Member shall be entitled to one (1) vote per Lot, for each Lot owned by it, in all proceedings in which action shall be taken by Members of the Association. There shall be no cumulative voting.
- (b) If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, holds the record title to any Lot, all of the same, as a unit, and not otherwise, shall be deemed a single Member of the Association. The vote of any Member comprised of two (2) or more persons, firms, corporation, trustees, or other legal entities, or any other combination thereof, shall be cast in the manner provided for in the Articles of Incorporation and/or By-Laws of the Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per Lot for each Lot owned by them. In the event the several owners of a Lot are unable to come to agreement on the casting of a vote, such vote shall not be counted, provided this fact is made known to the Association prior to the counting of such vote.

ARTICLE V RESERVED RIGHTS AND OBLIGATIONS

- 5.1 <u>UTILITY EASEMENTS</u>. Easements with respect to sanitary sewer and water, cable, electricity, gas and telephone lines and any other like facilities shall be governed by the following:
- (a) The Owner of any Lot, or the Association, shall have the right, to the extent necessary, to enter upon or have a utility company enter upon any portion of the Property in which utility installations lie, in order to repair, replace and generally maintain said installations.
- (b) The right granted in Section 5.1(a) above shall be only to the extent necessary to entitle the Owner or the Association full and reasonable use and enjoyment of the utilities and provided further that anyone exercising said right shall be responsible for restoring the surface of the easement area to its prior condition.
- (c) A non-exclusive, perpetual, blanket easement over the Property for the installation and maintenance of electric, telephone, cable, water, gas, drainage, utility, sanitary sewer lines and facilities, pressure sewers and grinder pumps, and the like, as reserved by Declarant, its successors and assigns.
- (d) A non-exclusive, perpetual, blanket easement over the Lots for the installation, maintenance, repair and replacement of the private storm drains, as reserved by Declarant, together with the right of the Association to grant and transfer the same.
- 5.2 EASEMENTS IN FAVOR OF CERTAIN LOT OWNERS. Easements are hereby expressly reserved for the benefit of Owners whose dwelling unit abuts the Lot line of another Owner's Lot (the term "dominant owner" shall be used to refer to the Owner whose dwelling unit abuts the Lot line of another Owner and the term "servient owner" shall be used to refer to the Owner whose lot line is abutted by the dwelling unit of the dominant owner), as follows:
- (a) An easement two (2) feet wide so as to allow the dominant owner's dwelling unit roof to hang two (2) feet over the Lot line of the servient owner.
- (b) An easement five (5) feet wide so as to allow the dominant owner to maintain, paint, repair and/or clean his dwelling unit; provided, however, that this five (5) foot wide easement shall exist and be confined to the five (5) feet immediately parallel to the Lot line on which the dominant owner's dwelling unit abuts the servient owner's Lot line.

(c) A perpetual easement to allow the dominant owner's dwelling to protrude over the servient owner's Lot line to the extent that a party wall may deviate from the vertical by reasons of any shifting or misplacement of the building.

5.3 MISCELLANEOUS EASEMENTS.

- (a) The Association hereby acknowledges the grants by Declarant Developers of record for storm water management, utility companies, etc., including the right to discharge surface water on and to lay, install, construct, and maintain, on, over, under or in those strips across land designated on the Plat, including, but not limited to, those areas designated on the Plat as public or private water, sewer, drainage or utility easements, existing or otherwise designated as an easement area, or on, over, under, or in any portion of any Common Areas, pipes, drains, mains, conduits, lines, and other facilities for water, storm sewer, sanitary sewer, gas, electric, cable, telephone, and other public utilities or quasi-public utilities deemed necessary or advisable to provide adequate service to any Lot now or hereafter laid out or established on the Property, or the area in which the same is located, together with the right and privilege of entering upon the Common Areas for such purposes and making openings and excavations therein, provided that same be corrected and the ground be restored and left in good condition.
- (b) Each Owner hereby grants an easement in perpetuity to the Association and its agents over, upon and through each Owner's Lot and any Common Areas, in order for the Association to perform any and all repair and maintenance of Lots which the Association is either required to perform hereunder or elects to perform pursuant to the provisions of this Declaration.
- (c) Any and all conveyances made by any Owner shall be conclusively deemed to incorporate these reservations of rights and easements, whether or not set forth in such grants.
 - (d) The easements described in this Section 5.3 shall run in perpetuity.
- 5.4 EASEMENT FOR UPKEEP. The Association, the managing agent and any other persons authorized by the Board, in the exercise and discharge of their respective powers and responsibilities, are granted the right of access over and through any portion of the Property for purposes of upkeep of the Property, including, without limitation, the right to make inspections, correct any condition originating in a Lot or in the Common Areas threatening another Lot or the Common Areas, correct drainage, perform installations or upkeep of utilities, landscaping, retaining walls, any level spreaders and any piping associated thereof or other improvements located on the Property for which the Association is responsible for upkeep, or correct any condition which violates this Declaration. The agents, contractors, officers and directors of the Association may also enter any portion of the Property (excluding any improvement) in order to utilize or provide for the upkeep of the areas subject to easements granted in this Article to the Association. Each Owner shall be liable to the Association for the cost of all upkeep performed by the Association and rendered necessary by any act, neglect,

carelessness or failure to comply with this Declaration for which such Owner is responsible pursuant to this Declaration, and the costs incurred by the Association shall be assessed against such Owner's Lot in accordance with Article VIII hereof and be collectible in the same manner as an assessment.

- 5.5 **EASEMENT FOR SUPPORT.** To the extent that any portion of the Property now or hereafter supports or contributes to the support of any other portion of the Property, the former is hereby burdened with an easement for the lateral and subjacent support of the latter.
- 5.6 EASEMENT AND EMERGENCY ACCESS. The Association grants an easement to: (1) all police, fire, ambulance and other rescue personnel over and through all or any portion of the Property for the lawful performance of their functions during emergencies; and the Association, is granted an easement over and through all Lots, if emergency measures are required in any Lot to reduce a hazard thereto or to any other portion of the Property. The Association is hereby authorized but not obligated to take any such measures.
- 5.7 EASEMENT FOR USE OF COMMON AREAS. Each Owner and each person lawfully occupying a Lot, is granted a non-exclusive right and easement of use and enjoyment in common with others of the Common Areas subject to the Restrictions set out in this Declaration and Rules and Regulations duly adopted and promulgated by the Board. Such right and easement of use and enjoyment shall be appurtenant to each Lot, whether or not mentioned in the deed thereto. Any purported conveyance or other transfer of such rights and easements apart from the Lot to which such rights and easements are appurtenant shall be void.
- 5.8 VEHICLE AND PEDESTRIAN ACCESS. The Lot Owner and each person lawfully occupying a Lot is granted a non-exclusive easement over all streets, walks and paths on the Common Areas for the purpose of vehicular or pedestrian access, ingress and egress, as appropriate, to any portion of the Property to which such person has the right to go, subject to the provisions of this Declaration and any Rules and Regulations promulgated by the Association pursuant to this Declaration. Any purported conveyance or other transfer of such rights and easements apart from the Lot to which such right and easement are appurtenant shall be void.
- 5.9 <u>LIMITATIONS</u>. The rights and easements of enjoyment created hereby shall be subject (in addition to any easements granted or reserved in this Declaration or pursuant to the Articles of Incorporation and By-Laws of the Association) to all rights and powers of the Association when exercised in accordance with the other applicable provisions of such documents, including without limitation the Association's right to regulate the use of the Common Areas, to grant easements across the Common Areas, to dedicate portions of the Common Areas and to mortgage the Common Areas subject to the provisions of this Declaration.

ARTICLE VI COMMON AREAS

- 6.1 GRANT OF COMMON AREAS. The Association shall retain title to the Common Areas (which are intended to be owned by the Association). The Covenants are imposed upon the Common Areas for the benefit of the Association and the Lot Owners, and their respective personal representatives, successors and assigns.
- MEMBER'S RIGHT OF ENJOYMENT. As further provided in Article V above, every Member of the Association shall have a non-exclusive right and easement for the use, benefit and enjoyment, in common with others, in and to the Common Areas and such non-exclusive right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the restrictions herein set forth. If ingress or egress to any dwelling is through the Common Areas, any conveyance or encumbrance of such area is subject to such Owner's easement. Except as otherwise permitted by the provisions of this Declaration, the Common Areas shall be retained in an open state, and no Structure or improvement of any kind shall be erected, placed or maintained thereon except as provided herein. Landscaping, structures or improvements designed exclusively for community use, shelters, benches, chairs or other seating facilities, fences and walls, walkways, playground equipment, game facilities, drainage and utility structures, grading and plantings, may be erected, placed and maintained thereon for the use, comfort and enjoyment of the Members of the Association, or the establishment, retention or preservation of the natural growth or topography of the area, or for aesthetic reasons. No portion of the Common Areas may be used by any Lot Owner or Owners for personal vegetable gardens, storage facilities or other private uses.
- Association shall improve, develop, supervise, manage, operate, examine, insure, inspect, care for, repair, replace, restore and maintain the Common Areas in safe condition, together with any items of personal property placed or installed thereon and any area dedicated to a public or governmental entity if such entity fails to properly maintain such area, as from time to time improved, all at its own cost and expense, and shall levy against each Member of the Association a proportionate share of the aggregate cost and expense required for the care, maintenance and improvement of the foregoing described areas, which proportionate share shall be determined based on the ratio which the number of Lots owned by the Member bears to the total number of Lots then laid out or established on the Property. The foregoing obligations of the Association shall also include performing, at its own expense, any maintenance of any entrance monuments for the Community, including any such signs located within a public right-of-way or on a Lot.
- 6.4 **RESTRICTIONS AND FINES.** The right of each Member of the Association to use the Property shall be subject to the following:
- (a) any covenant now or hereafter as set forth in this Declaration and, further, shall be subject to any Rule or Regulation now or hereafter adopted by the Board of Directors for the safety, care, maintenance, good order and cleanliness of the Property and the conduct and safety of the residents thereon;

- (b) the right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of maintaining and improving the Common Areas in a manner designed to promote the enjoyment and welfare of the Members, and in aid thereof to mortgage any of the Common Areas;
- (c) the right of the Association to take such steps as is reasonably necessary to protect the property of the Association against mortgage default and foreclosure;
- (d) the right of the Association to suspend the voting rights and the rights to use of the Common Areas, including but not limited to the parking spaces, during any period in which an Assessment is past due and unpaid, and after notice and a opportunity for hearing for any period not to exceed sixty (60) days for any infraction of any of the published Rules and Regulations of the Association or of this Declaration;
- (e) the right of the Association to dedicate or transfer all or any part of the Common Areas 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; and further subject to the written consent of the County; provided, however, that no dedication, transfer, mortgage or determination as to the purposes or as to the conditions thereof, shall be effective unless at least two-thirds (%) of the Class A Members of the Association consent to such dedication, transfer, purpose and conditions; and
- (f) the right of the Association dedicate or transfer all or any part of the Common Areas to any individual or commercial entity for purposes consistent with the purpose of this Declaration and subject to such conditions as may be agreed to by the Members; and further subject to the written consent of the County; provided, however, that no dedication, transfer, mortgage or determination as to the purposes or as to the conditions thereof, shall be effective unless at least two-thirds (%) of the Class A Members of the Association consent to such dedication, transfer, purpose and conditions; and
- (g) the right of the Association, acting by and through its Board, 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, to any municipal agency, public utility, the Declarant or any other person; provided, however, that no such license, right-of-way or easement shall be unreasonably and permanently inconsistent with the rights of the Members to the use and enjoyment of the Common Areas.
- (h) the right of the Association, acting by and through its Board, to adopt reasonable Rules and Regulations governing the use of the Property and the conduct of the persons using said Property, and pursuant to the procedures adopted by said Board, and upon a finding, after opportunity for hearing, that the alleged violating Owner and/or tenant did violate or is violating the provisions of the Declaration, Bylaws or duly adopted Rules and Regulations as charged, the Board may levy a reasonable fine of not more than fifty dollars (\$50.00) per day

for each initial or repeated violation up to one thousand dollars (\$1,000.00) per month, for violation of any of the provisions of this Declaration, the Bylaws, or Rules and Regulations of the Association against such Owner and/or his or her tenant. Such fine shall be a continuing lien upon the Lot or Lots belonging to the Owner against whom such fine is levied and shall be enforceable and collectable in the same manner as Assessments due from such Owner. The Board may also require the Owner to post a bond, satisfactory to the Board, to secure said Member's future compliance.

- (i) the rights of the Association through its Board and/or agents to regulate parking and use of the streets and parking areas within the Property and to assign parking spaces for temporary use by visitors and/or designated Lot Owners or their tenants, and the Board and/or its agents shall have the express power to tow vehicles from the Property that are parked in violation of this Declaration, the Bylaws and/or Rules and Regulations of the Association at the risk and expense of the owner of the vehicle.
- All of the foregoing shall inure to the benefit of and be enforceable by the Association, its successors and assigns, against any Member of the Association, or any other person, violating or attempting to violate any of the same, either by action at law for damages or suit in equity to enjoin a breach or violation, or enforce performance of any term, condition, provision, rule or regulation. Further, the Association shall have the right to abate summarily and remove any such breach or violation by any Owner or upon any Lot at the cost and expense of such Owner and such cost shall become an assessment and shall be collectible in the same manner as assessments under this Declaration.
- 6.5 <u>DELEGATION OF RIGHT OF USE</u>. Any Member of the Association may delegate his rights to the use and enjoyment of the Common Areas to family members who reside permanently with such Member or to his tenants, contract-purchasers, invitees and guests, all subject to such reasonable Rules and Regulations which the Association may adopt and uniformly apply and enforce.
- 6.6 RULES AND REGULATIONS. Each Lot Owner and resident of the Property shall fully and faithfully comply with the Rules and Regulations applicable to use of the Property, as such Rules and Regulations are from time to time adopted by the Board for the architectural standards, safety, care, maintenance, good order and cleanliness of the Property and the conduct of persons thereon. Further, each Lot Owner and tenant shall comply with the covenants imposed by this Declaration on the use and enjoyment of the Property.

ARTICLE VII ENCROACHMENTS

If any Structure or any part thereof, as a result of the initial construction and/or settlement and/or shifting of such Structure, encroaches upon an adjoining Lot or Common Area, there shall arise, without the necessity of any further or additional act or instrument, an easement for the

encroachment in favor of the encroaching Owner, its heirs, personal representatives, successors and assigns. Such easement shall remain in effect for so long as the encroachment shall exist. The conveyance or other disposition of a Lot shall be deemed to include and convey, or be subject to, any easements arising under the provisions of this Article without specific or particular reference to such easement.

ARTICLE VIII ASSESSMENTS

8.1 **COVENANT FOR ANNUAL ASSESSMENT**. Each Lot Owner, by acceptance of a deed conveying any such Lot to the Lot Owner, whether or not so expressed in such deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association (a) in advance, an annual assessment (the "Annual Assessment") equal to the Member's proportionate share of the sum required by the Association, as estimated by the Board, for Annual Assessments or charges, (b) Special Assessments and charges, for capital improvements or other expenses ("Special Assessment"), (c) and such other Assessments and charges duly assessed pursuant to this Declaration. Such Annual and Special Assessments and other duly assessed charges to be established and collected as hereinafter provided. The Annual Assessments and Special Assessments and other duly assessed charges shall be a charge and continuing lien upon each of the Lots against which the applicable Assessment is made in accordance with the terms and provisions of the Maryland Contract Lien Act, and this Article VIII shall be construed as a real covenant running with the Land and a contract of a lien under the terms of the said Act. Such assessments or charges, together with interest at a rate of eighteen percent (18%) per annum (unless such rate of interest is not legally allowable in which event the highest rate permitted by law shall be applicable), late charges, administrative costs of collection, post judgment costs of collection and post judgment attorneys' fees, court costs and reasonable attorneys' fees, as further described in Section 8.9 below, shall also be the personal obligation of the Lot Owner holding title to any Lot at the time when the assessment or other charge fell due or was payable. The personal obligation for any delinquent assessment or charge, together with interest, administrative and court costs and reasonable attorneys' fees, however, shall not pass to the Lot Owner's successor or successors in title unless expressly assumed by such successor or successors.

8.2 <u>COVENANT FOR PARKING AREA MAINTENANCE AND ASSESSMENT.</u>

(a) In designing the layouts of Lots in Plats III and IV of Chesapeake Station, parking areas were provided as shown on said Plats recorded among the Calvert County Plat Records in Book 1, page 184 and Book 2, page 2. Said parking areas are owned by the Association and are intended to provide parking for the townhouse lots in Plats III and IV binding thereon. Each Owner of a Lot within Plat III and IV, by acceptance of the deed therefore, whether or not it shall be so expressed in such deed, is deemed to have covenanted and agreed to pay to the Association all Parking Area Assessments or charges as provided for in this Section

8.2, in addition to the Assessments and charges provided for in Section 8.1 above. Such Parking Area Assessments and charges are to be established and collected as provided herein or elsewhere in this Declaration. The Parking Area Assessment, together with interest at a rate of eighteen percent (18%) per annum (unless such rate of interest is not legally allowable in which event the highest rate permitted by law shall be applicable), late charges, administrative costs of collection, post judgment costs of collection and post judgment attorneys' fees, court costs and reasonable attorneys' fees, as further described in Section 8.9 below, shall be a continuing lien on the Lots against which such Parking Lot Assessment is made and shall also be the personal obligation of the Lot Owner holding title to any Lot at the time when the assessment or other charge fell due or was payable. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

- (b) The Parking Lot Assessment provided for in this Section 8.2 as levied annually by the Association shall be used exclusively for the purpose of maintenance, repair, improvement, and replacement, of the parking areas hereinbefore described.
- (c) The Single Family Lots in the Community, Plat II, shall not be assessed a Parking Lot Assessment.
- USE OF ASSESSMENTS. The Annual Assessments and charges levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Association, and in particular for (a) the improvement and maintenance, operation, care, services and facilities related to the use and enjoyment of the Common Areas (except for the Parking Lot areas depicted on Plats III and IV of Chesapeake Station), including fees paid to any management agent employed by the Board to manage the Association; (b) the payment of taxes on the Common Areas (except to the extent that proportionate shares of such public charges and assessments on the Common Areas may be levied against all Lots on the Property by the tax collecting authority so that the same is payable directly by the Lot Owners thereof, in the same manner as real property taxes are assessed or assessable against the Lots); (c) the payment of administrative, professional and legal fees, insurance premiums on the Common Areas, and for other insurance deemed appropriate or necessary by the Board; (d) the costs of repair, replacement and additions to the Common Areas and improvements thereon; (e) the cost of obtaining, planting and thereafter maintaining street trees throughout the Community if required by the County, whether or not such street trees are located in the Common Areas; (f) the costs of utilities and other services which may be provided by the Association for the Community as may be approved from time to time by a majority of the Members of the Association; (g) the cost of labor, equipment, insurance, materials, management and supervision incurred or expended in performing all of the foregoing; and (h) the cost of funding all reserves established by the Association, including a general operating excess and a reserve for replacements including reserves for any private retaining walls, private drainage and utility areas, and any maintenance to stormwater management areas. The Parking Lot Assessment shall be used to maintain, repair, improve and replace the Parking Lot areas shown on Plats III and IV of Chesapeake Station.

8.4 MAXIMUM ANNUAL ASSESSMENT.

- (a) The maximum Annual Assessment shall be Eight Hundred Fifty Eight Dollars (\$858.00) for each Lot in Chesapeake Station with an additional maximum Annual Parking Lot Assessment of Two Hundred Twenty Dollars (\$220.00) for each townhouse Lot, payable annually, subject, however, to Section 8.7 (b) through (d).
- (b) The maximum Annual Assessment may be increased each year by not more than twenty percent (20%) of the maximum Annual Assessment as assessed in previous years by the Board of Directors without a vote of the membership of the Association.
- (c) The maximum Annual Assessment may be increased more than twenty percent (20%) of the maximum Annual Assessment as assessed in previous years only by a vote of not less than two-thirds (2/3) of the Members present in person or by proxy, at a duly constituted meeting called for such purpose.
- (d) Any expenditure made, other than those made because of conditions which, if not corrected, could reasonably result in a threat to the health or safety of the Owners or a significant risk of damage to the Community, that would result in an increase in the Annual Assessments for the current fiscal year of the Association in excess of fifteen percent (15%) of the total budgeted amount previously adopted, shall be approved by an amendment to the Budget adopted at a special meeting of the Board, upon not less than ten (10) days written notice to the Lot Owners.
- 8.5 SPECIAL ASSESSMENTS. In addition to the Annual Assessments authorized above, the Association may levy in any assessment year, a Special Assessment, applicable for that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement located on the Common Areas, including fixtures and personal property related thereto, and/or to meet any other deficit of the Association or any emergency or unforeseen expenses of the Association; provided that such Assessment shall first be approved by not less than two-thirds (2/3) of the votes of the Members present and voting in person or by proxy at a meeting duly called for such purpose.

8.6 COMMENCEMENT DATE OF ANNUAL ASSESSMENTS.

- (a) The Annual Assessments as to any Lot shall commence on the date that the Lot is conveyed.
- (b) The Annual Assessment as to each Lot shall be paid annually subject, however, to the provisions of Section 8.7 hereof.
- (c) The due date of any Special Assessment under Section 8.5 hereof shall be fixed by the Board in the resolution authorizing such Special Assessment.

8.7 **DUTIES OF THE BOARD**.

- (a) The Board shall annually determine the amount of the Annual Assessment, but may do so at more frequent intervals should circumstances so require. Upon a resolution of the Board, installments of Annual Assessments may be levied and collected on either an annual, semi-annual, quarterly or monthly basis. Any Member may elect to prepay one or more installments of any Annual Assessment levied by the Association, without premium or penalty.
- (b) The Board shall prepare a pro-forma operating statement ("Budget"), for each fiscal year, which Budget shall be submitted to each Owner not less than thirty (30) days prior to its adoption at an open meeting of the Board. A copy of the Budget and notice of such Board meeting to adopt the Budget may be sent to each Owner by electronic transmission, by posting on the Association's home page, by inclusion in the Association's newsletter delivered to all Owners, by personal delivery, or by first class United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Association. In addition to any information required to be included in the Budget in accordance with the Maryland Homeowners Association Act, the Budget shall contain the amount of the Annual Assessment for each Lot.
- (c) The Board shall also, at the time of distribution of the proposed Budget, prepare a roster of the Lots and the Annual Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice to the Board. The omission by the Board, before the expiration of any assessment period, to fix the amount of the Annual Assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article VIII or a release of any Owner from the obligation to pay the Annual Assessment, or any installment thereof, for that or any subsequent assessment period; but the Annual Assessment fixed for the preceding period shall continue until a new Assessment is fixed. No Owner may be exempt from liability for assessments or related charges by abandonment of any Lot owned by such Member or by the abandonment of such Member's right to the use and enjoyment of the Common Areas.
- (d) The Association shall, upon demand at any time, furnish to any Lot Owner liable for assessments a certificate in writing signed by an officer of the Association setting forth whether said assessments have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated as having been paid. A reasonable charge may be levied in advance by the Association for each certificate so delivered.
- 8.8 <u>ADDITIONAL ASSESSMENTS</u>. Additional assessments may be fixed against any Lot only as provided for in this Declaration. Any such assessments shall be due as provided by the Board of Directors.

8.9 NONPAYMENT OF ASSESSMENT.

- (a) Any assessment, or portion thereof, not paid within thirty (30) days after the due date thereof shall be delinquent and shall bear interest from the due date at the rate of eighteen percent (18%) per annum (unless such rate of interest is not legally allowable in which event the highest rate permitted by law shall be applicable), shall be subject to a late charge of Fifteen Dollars (\$15.00) or ten percent (10%) of the assessment, or portion thereof, whichever is greater, and shall be subject to any administrative collection costs, court costs, other litigation costs and reasonable attorneys' fees for the collection thereof and of any and all outstanding assessments and charges whether a lawsuit is filed or not. Further, the Association shall have the right to declare the entire balance of the Annual Assessment, late fees and accrued interest thereon to be immediately due and payable. The Association may bring an action at law against the Lot Owner personally obligated to pay the same, and/or without waiving any other right, at equity impose and to foreclose the lien against the Lot in the same manner and subject to the same requirements as are specified by the law of Maryland for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and there shall be added to the amount of such assessment the reasonable costs of preparing and filing the complaint of such action, and in the event that judgment is obtained, such judgment shall include interest on the assessment as above provided, late fees and reasonable attorneys' fees and of any and all outstanding assessments and charges, to be fixed by the court together with the cost of the action. No Lot Owner may waive or otherwise escape liability for the assessments or other charges provided for herein by non-use of the Common Areas or abandonment of such Lot Owner's Lot.
- (b) In the event an Owner is leasing his or her dwelling unit in the Association, at any time during the Lease term, including any extension renewal, or holdover term, the Owner becomes delinquent in any payment of any amounts due to Association, the Board, at its option, may as long as such delinquency continues, may demand and receive payment from the tenant as provided in Section 2.19(b) of this Declaration.
- (c) The Board may post a list of Members who are delinquent in the payment of any assessment, charge or other fees which may be due the Association, and who have a lien or judgment entered against them, in any prominent location on the Property, or in the Association's newsletter or its website.
- 8.10 <u>SUBORDINATION OF LIEN TO MORTGAGE</u>. Except as provided in the Maryland Homeowners Association Act, the lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage(s) or deed(s) of trust now or hereafter placed upon the Lot. Such sale or transfer shall not relieve such Lot from liability for any assessments thereafter becoming due, nor from the lien of any such future assessment.
- 8.11 <u>ENFORCEMENT OF LIEN</u>. The Association may establish and enforce the lien for any assessment, Annual, Special, or otherwise, and including but not limited to fines, pursuant to the provisions of the Maryland Contract Lien Act. The lien is imposed upon the Lot against which such assessment is made. The lien may be established and enforced for damages,

interest, costs of collection, late charges permitted by law, and reasonable attorneys' fees provided for herein or awarded by a court for breach of any of the covenants herein.

8.12 **EXEMPT PROPERTY**. The Common Areas and all Lots owned by the Association shall be exempt from the assessments created herein; provided, however, any Lot used for residential purposes shall be subject to assessment.

8.13 RESERVES FOR REPLACEMENTS.

- (a) The Association shall establish and maintain a reserve fund for repairs and replacements of the Common Areas and for the Parking Lot area shown on Plats III and IV of Chesapeake Station by the allocation and payment annually to such reserve funds of an amount to be designated from time to time by the Board. Such funds 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, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.
- (b) The Association may establish such other reserves for such other purposes as the Board may from time to time consider necessary or appropriate. The proportional interest of any Member of the Association in any such reserves shall be considered an appurtenance of such Lot Owner's Lot and shall not be separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

ARTICLE IX INSURANCE AND CASUALTY LOSSES

- 9.1 <u>TYPES OF INSURANCE MAINTAINED BY ASSOCIATION</u>. The Board shall have the authority to and shall obtain the following types of insurance:
- (a) insurance on all insurable improvements on the Common Areas against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief in an amount sufficient to cover the full replacement cost of such improvements in the event of damage or destruction;
- (b) a public liability insurance policy covering the Association, its officers, directors and managing agents, having at least a One Million Dollar (\$1,000,000.00) limit per total claims that arise from the same occurrence, including but not limited to liability insurance for the recreational facilities located in the Community, or in an amount not less than the minimum amount required by applicable law, ordinance or regulation;
 - (c) workers' compensation insurance, if and to the extent required by law; and

(d) fidelity insurance or bonds covering all directors, officers, employees and other persons handling or responsible for the funds of the Association, in such amounts as the Board deems appropriate, but not less than required by the HOA Act.

9.2 PREMIUMS FOR INSURANCE MAINTAINED BY ASSOCIATION. Premiums for all insurance and bonds required to be carried under Section 9.1 hereof or otherwise obtained by the Association on the Common Areas shall be an expense of the Association, and shall be included in the Annual Assessments. Premiums on any fidelity insurance or bond maintained by a third party manager shall not be an expense of the Association.

9.3. DAMAGE AND DESTRUCTION OF COMMON AREAS.

- (a) Immediately after any damage or destruction by fire or other casualty to all, or any part of the insurable improvements on the Common Areas, the Board, or its agent, shall proceed with the filing and adjustment of all claims arising under the fire and extended coverage insurance maintained by the Association and obtain reliable estimates of the cost of repair or reconstruction of the damaged or destroyed improvements. Repair or reconstruction means repairing or restoring the improvements to substantially the same condition in which they existed prior to the fire or other casualty.
- (b) Any damage or destruction to insurable improvements on the Common Areas shall be repaired or reconstructed unless at least seventy-five percent (75%) of the Members present at a meeting of the membership held within ninety (90) days after the casualty shall decide not to repair or reconstruct.
- (c) If, in accordance with subsection (b), the improvements are not to be repaired or reconstructed and no alternative improvements are authorized by the Members, then and in that event the damaged Common Areas shall be restored to its natural state and maintained as an undeveloped portion of the Common Areas by the Association in a neat and attractive condition until such time as the Association, by a vote of not less than 75% of the Lot Owners present and voting in person or by proxy at a meeting duly called and constituted vote to rebuild the improvements or such other improvements at approved by them. In such event, any excess insurance proceeds shall be paid over to the Association for the benefit of the Property, which proceeds may be used and/or distributed as determined by the Board, in its discretion, or as otherwise provided in the Articles of Incorporation and/or the By-Laws of the Association.
- 9.4 REPAIR AND RECONSTRUCTION OF COMMON AREAS. If any improvements on the Common Areas are damaged or destroyed, and the proceeds of insurance received by the Association are not sufficient to pay in full the cost of the repair and reconstruction of the improvements, the Board shall, without the necessity of a vote of the Members, levy a Special Assessment against all Lot Owners in order to cover the deficiency in the manner provided in Article VIII hereof. If the proceeds of insurance exceed the cost of

repair, such excess shall be retained by the Association and used for such purposes as the Board shall determine.

9.5 HAZARD INSURANCE ON IMPROVED LOTS. Each Lot Owner of an improved Lot at all times shall maintain fire and extended coverage insurance or other appropriate damage and physical loss insurance, in an amount equal to not less than one hundred percent (100%) of the current replacement value of the improvements on the Lot. Proof of such insurance shall be forwarded to the Association annually.

9.6 OBLIGATION OF LOT OWNER TO REPAIR AND RESTORE.

- (a) In the event of any damage or destruction of the improvements on a Lot, the insurance proceeds from any insurance policy on an improved Lot, unless retained by a Mortgagee of a Lot, shall be applied first to the repair, restoration or replacement of the damaged or destroyed improvements. Any such repair, restoration or replacement shall be completed in accordance with the plans and specifications for such improvements originally constructed on the Lot, the Board or its designated Architectural Committee; unless the Lot Owner desires to construct improvements differing from those so approved, in which event the Lot Owner shall submit plans and specifications for the improvements to the Board or its designated Architectural Committee and obtain its approval prior to commencing the repair, restoration or replacement. If any Mortgagee does not permit insurance proceeds to be used to restore any damaged or destroyed improvements, then the Lot Owner of such Lot shall raze the improvements and return the Lot to its natural condition free of all debris.
- (b) If any Lot Owner of an improved Lot fails to maintain the insurance required by Section 9.5 of this Article, the Board may impose sanctions for violation of the Declaration, and may, but shall not be obligated to, obtain such insurance and pay any premiums required in connection with obtaining such insurance. Such Lot Owner shall be personally liable to the Association for any costs incurred by the Association in obtaining such insurance, to the same extent as such Lot Owner is liable for Assessments levied against the Lot, and, upon the failure of the Lot Owner to pay such costs within ten (10) days after such Lot Owner's receipt of a written demand therefor from the Association, the Association may establish a lien therefor upon the Lot Owner's Lot in accordance with and subject to the provisions of this Declaration applicable to an Assessment lien, and/or may proceed to collect the Assessment as provided in Article VIII herein above.

ARTICLE X RIGHTS OF MORTGAGEES

10.1 GENERAL.

(a) Regardless of whether a Mortgagee in possession of a Lot is the Lot Owner, (i) such Mortgagee in possession shall have all of the rights under the provisions of this

Declaration, the Plat, the Articles of Incorporation, the By-Laws and applicable law, which would otherwise be held by such Lot Owner, subject to the operation and effect of anything to the contrary contained in its Mortgage, and (ii) the Association and each other Lot Owner or person shall be entitled, in any matter arising under the provisions of this Declaration and involving the exercise of such rights, to deal with such Mortgagee in possession as if it were the Lot Owner thereof.

(b) Any Mortgagee in possession of a Lot shall (subject to the operation and effect of the provisions of this Declaration, the Articles of Incorporation, the By-Laws and applicable law) bear all of the obligations under the provisions thereof which are borne by its Lot Owner; provided, that nothing in the foregoing provisions of this Section shall be deemed in any way to relieve any Owner of any such obligation, or of any liability to such Mortgagee on account of any failure by such Lot Owner to satisfy any of the same.

ARTICLE XI MISCELLANEOUS PROVISIONS

11.1 <u>TERM</u>. This Declaration shall run with the land and shall be binding for a period of thirty (30) years from the date this Declaration is recorded, after which time this Declaration shall automatically be extended for successive periods of ten (10) years each unless and until an instrument has been recorded, by which this Declaration, in whole or in part, is amended, modified or revoked pursuant to the provisions of Section 11.9 hereof.

11.2 **ENFORCEMENT**.

- (a) In addition to other enforcement mechanisms provided in this Declaration, enforcement of this Declaration, the Bylaws and any Rule and Regulation duly adopted and promulgated pursuant to this Declaration shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, to restrain the violation, force compliance, and/or to recover damages. In acquiring title to any Lot in the Community, the owner or owners violating or attempting to violate any covenant, agree to reimburse the Association and/or any Lot Owners for all costs and expenses for which it or they may incur as a result of the said violation or attempted violation, including but not limited to, administrative costs, court costs and reasonable attorneys' fees whether suit is filed or not.
- (b) These Covenants shall inure to the benefit of and be enforceable by the Association or by the Lot Owner(s) of any land included in the Community and their respective legal representatives, successors and assigns, and all persons claiming by, through or under them. Further, the Covenants shall bind every Lot and Owner thereof and successors in interest of each such Owner.

11.3 <u>NO WAIVER</u>. 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.

- 11.4 INCORPORATION BY REFERENCE ON RESALE. In the event any Lot Owner sells or otherwise transfers any Lot, any deed purporting to effect such transfer shall be deemed to contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration, whether or not the deed actually so states.
- 11.5 NOTICES. Any notice required to be sent to any Member or Lot Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postage paid, to the last known address of the person who appears as Member or Lot Owner on the records of the Association at the time of such mailing, and each such Member is required to keep his mailing address current by written notification of any change sent to the Association.
- 11.6 NO DEDICATION TO PUBLIC USE. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Areas by any public or municipal agency, authority or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Areas.
- 11.7 <u>SEVERABILITY</u>. 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.
- 11.8 <u>CAPTIONS AND GENDERS</u>. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male shall include all genders and the singular shall include the plural.

11.9 AMENDMENT.

- (a) This Declaration may be amended by an instrument in writing, signed and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Association after approval of the amendment at a meeting of the Association duly called for such purpose.
- (b) The affirmative vote (in person or by proxy) or written consent of (i) Lot Owners in good standing having at least 60% of the votes in Chesapeake Station shall be required to add to, amend, revise or modify this Declaration.

(c) An amendment or modification shall be effective when executed by the President or Vice-President and Secretary or Assistant Secretary of the Association who shall certify that the amendment or modification has been approved as herein above provided. The amendment shall be recorded among the Land Records of Calvert County, Maryland. Unless a later date is specified in any such instrument, any amendment to this Declaration shall become effective on the date of recording. For the purpose of recording such instrument, each Lot Owner, hereby grants to the President or Vice-President and Secretary or Assistant Secretary of the Association an irrevocable power of attorney to act for and on behalf of each and every Lot Owner in certifying, executing and recording said instrument.

11.10 Rules and Regulations.

- (a) The Board shall have the power to adopt and amend Rules and Regulations regarding the use of the Property and the conduct of persons thereon, and regarding matters as to which the Board is expressly granted such power by this Declaration, which shall be binding on each Owner, provided such Rules and Regulations are adopted in accordance with the provisions of this Article.
- (b) The Board shall mail written notice to each of the Members of the Association setting forth the proposed Rules and Regulations, and the date, time and place of the meeting at which such proposed Rule and Regulations will be considered, at least twenty (20) days prior to adoption. Such notices shall be mailed to the address of each Member as shown on the most current membership roster of the Association.
- (c) The adoption or amendment of Rules and Regulations shall require the vote of not less than two-thirds (2/3) of the directors present at a meeting of the Board.

NOW THEREFORE, the Owners of Lots within Chesapeake Station, by an instrument or instruments recorded herewith, which has been executed, sealed and acknowledged by or on behalf of the Lot Owners in good standing having at least 60% of the votes in Chesapeake Station, hereby evidence the appointment of the Chesapeake Station Homeowners Association, Inc., its successors and assigns as the designated representative to stand in the place and stead of the Declarant Developer as provided in the Original Declaration further evidence their agreement and intent to Amend and Restate the Original Declaration and any amendments thereto as provided in this Amended and Restated Chesapeake Station Homeowners Association, Inc Declaration of Covenants, Easements, Charges And Liens.

AS WITNESS the acknowledged signatures and seals of the President and the Secretary of Chesapeake Station Homeowners Association, Inc., who hereby certify and represent that Lot Owners in good standing having at least 60% of the votes in Chesapeake Station have voted to approve this Amended and Restated Chesapeake Station Homeowners Association, Inc. Declaration of Covenants, Easements, Charges and Liens at a meeting duly called and constituted on the day hereinabove first written.

WHENEOG/ATTECT.
WITNESS/ATTEST: CHESAPEAKE STATION HOMEOWNERS ASSOCIATION, INC.
By: Due Lunh (SEAL)
President President
By: Can Wohnty (SEAL)
PAUL DOHERTY, Secretary
STATE OF MARYLAND, CITY/COUNTY OF COlvert, TO WIT:
I HEREBY CERTIFY that on this That day of October, 20 20, before, me, the subscriber, a Notary Public of the State of Maryland, personally appeared Bruce A. Wood, the President of CHESAPEAKE STATION HOMEOWNERS ASSOCIATION, INC., and being authorized to do so, in my presence, signed and sealed the same and acknowledged the same to be the act and deed of Lot Owners in good standing having at least 60% of the votes in Chesapeake Station.
AS WITNESS my hand and Notarial Seal. (SEAL) (SEAL)
My Commission Expires: 04/27/2022
STATE OF MARYLAND, CITY/COUNTY OF Colvert, TO WIT:
I HEREBY CERTIFY that on this day of october, 20 20, before, me, the subscriber, a Notary Public of the State of Maryland, personally appeared the Secretary of CHESAPEAKE STATION HOMEOWNERS ASSOCIATION, INC., and being authorized to do so, in my presence, signed and sealed the same and acknowledged the same to be the act and deed of Lot Owners in good standing having at least 60% of the votes in Chesapeake Station.
AS WITNESS my hand and Notarial Seal. (SEAL) (SEAL)
My Commission Expires: 04/271202 2 Notary Public PUBLIC PUBLIC PARIL 2007
VALID ONLY WITH IMPRESSED SEAL EBY CERTIFY that the attached is a true copy of a chille in the Office of the Celvert County Clerk eit Court.
hur Domith Illalamo rut

VALID ONLY WITH IMPRESSED SEAL HEREBY CERTIFY that the attached is a true copy of a record on file in the Office of the Celvert County Clerk of Circuit Court.

CERTIFICATION

The undersigned hereby certifies that the above instrument has been prepared by or under the supervision of an attorney admitted to practice before the Court of Appeals of Maryland.

Kathleen M. Elmore, Esq.

AFTER RECORDATION, PLEASE RETURN TO:

KATHLEEN M. ELMORE, ESQUIRE ELMORE & THROOP, P.C. 5 Riggs Avenue Severna Park, Maryland 21146 et@elmore-throop.com 410-544-6644

Validation Sheet For Clerk's Use Only

Calvert County Circuit Court

**Scatty Or. Omith - Clock*

175 Main Street

Prince Frederick, Maryland 20678