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DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION is made this 1st day of August, 1990, by ATLANTIC UTILITIES, INC., a Maryland Corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Anne Arundel County, State of Maryland, which is more particularly shown on that Plat entitled "Section One Rock Creek Landing", which plat is recorded among the Plat Records of Anne Arundel County, Maryland, in Plat Book 127, pages 33-37, as Plat Nos. 6657-6661, and that Plat entitled "Section Two Rock Creek Landing", which plat is recorded among the Plat Records of Anne Arundel County, Maryland in Plat Book 127, pages 38-42, as Plat Nos. 6662-6666, (the "Property"); and,

WHEREAS, Declarant intends to convey the Recreation Areas shown on the aforesaid Plats to a Maryland non-stock, not-for-profit corporation known as ROCK CREEK LANDING HOMEOWNER'S ASSOCIATION, INC. (the "Association"); and,

WHEREAS, Declarant intends to subject the Property to the easements, restrictions, covenants, conditions, reservations, liens and charges as hereinafter set forth and executes this instrument for that purpose; and,

WHEREAS, Declarant has deemed it desirable and appropriate for the efficient preservation of the values and amenities of

96/5

the Property to create the Association for the purposes of maintaining the Common Areas and any improvements thereon, and for administering and enforcing the covenants, conditions and restrictions and for collecting and disbursing the assessments and charges hereinafter set forth and created.

NOW THEREFORE, Declarant hereby declares that all of the Property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to ROCK CREEK LANDING HOMEOWNER'S ASSOCIATION, INC., a Maryland non-stock, not-for-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest

merely as security for the performance of an obligation.

Section 3. "Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

BEING for the First all that 0.310± acre parcel of land shown and described as "Recreation Area" at Page 2 on the aforesaid Plat entitled "Section One Rock Creek Landing".

BEING for the Second all that 2.686± acre parcel of land shown and described as "Recreation Area" at Page 4 on the aforesaid Plat entitled "Section One Rock Creek Landing".

BEING for the Third all that 0.850± acre parcel of land shown and described as "Open Space" at Page 4 on the aforesaid Plat entitled "Section One Rock Creek Landing".

BEING for the Fourth all that 2.363± acre parcel of land shown and described as "Recreation Area" at Page 5 on the aforesaid Plat entitled "Section One Rock Creek Landing".

BEING for the Fifth all that 0.898± acre parcel of land shown and described as "Open Space" at Page 5 on the aforesaid Plat entitled "Section One Rock Creek Landing".

BEING for the Sixth all that 0.5992± acre parcel of land shown and described as "Recreation Area #1" at Page 3 on the aforesaid Plat entitled

"Section Two Rock Creek Landing".

BEING for the Seventh all that 0.6697± acre parcel of land shown and described as "Recreation Area #2" at Page 3 on the aforesaid Plat entitled "Section Two Rock Creek Landing".

BEING for the Eighth all that 0.0576± acre parcel of land shown and described as "10' Open Space Area" at Page 3 on the aforesaid Plat entitled "Section Two Rock Creek Landing".

BEING for the Ninth all that 0.1315± acre parcel of land shown and described as "10' Open Space Area" at Page 4 on the aforesaid Plat entitled "Section Two Rock Creek Landing".

BEING for the Tenth all that 2.5221± acre parcel of land shown and described as "Open Space" at Page 5 on the aforesaid Plat entitled "Section Two Rock Creek Landing".

Section 5. "Lot" shall mean and refer to any plot of land so shown and designated by number upon any recorded subdivision map of the Property with the exception of the Common Area and the roads, streets, avenues, easements and public rights of way.

Section 6. "Declarant" shall mean and refer to ATLANTIC UTILITIES, INC., its successors and assigns if such successors or assigns shall acquire more than one undeveloped Lot from the Declarant for the purposes of development.

Section 7. "Plat" shall mean and refer to a certain plat of the Property dated April, 1989 prepared by John E. Harms and Associates, Inc. and entitled "Section One Rock Creek Landing", which Plat is recorded among the Plat Records of Anne Arundel County in Plat Book 127, Pages 33-37, as Plat Nos. 6657-6661,

as may be amended from time to time, and a certain Plat of the Property dated June, 1989 prepared by Kidde Consultants, Inc. and entitled "Section Two Rock Creek Landing" which Plat is recorded among the Plat Records of Anne Arundel County in Plat Book 127, Page 38-42, as Plat Nos. 6662-6666, as may be amended from time to time.

Section 8. "Critical Area" shall mean and refer to those areas within the Property corresponding to (i) all waters of and lands under the Chesapeake Bay and its tributaries to the head of the tide as indicated on the State of Maryland wetland maps, and all State and private wetlands designated under Title 9, Natural Resources Article, Annotated Code of Maryland, as amended from time to time, and (ii) all land and waters within one thousand feet (1000') beyond the landward boundaries of the State or private wetlands and the heads of tides designated under Title 9, Natural Resources Article, Annotated Code of Maryland, as amended from time to time.

Section 9. "Development Plan" shall mean and refer to the Final Development and Grading Plan for Rock Creek Landing dated April, 1989, prepared by John E. Harms and Associates, Inc., including all amendments thereto as may be made from time to time, and the Final Development and Grading Plan for Rock Creek Landing dated June, 1989, prepared by Kidde Consultants, Inc., including all amendments as may be made from time to time.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every

owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members has been recorded.

(d) the right of the Association to establish and publish rules and regulations governing the use and enjoyment of the Common Area.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on January 1, 1993.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments

levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment shall be Twenty-Five Dollars (\$25.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment may be increased above 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum provided for hereby.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying,

in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments:

Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 6 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Morgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

CRITICAL AREAS

Section 1. The purpose of this Article is solely to inform all Owners that the use and development of the property is subject to certain provisions of Maryland and Anne Arundel County law, including, but not limited to Maryland Annotated Code, Natural Resources Article, Section 8-1808 (Chesapeake Bay Critical Area Legislation), as the same may be amended from time to time. Listed below are some provisions of such laws:

(a) There shall be no clearing, grading, cutting or harvesting of timber or other disturbances within a one hundred (100) foot buffer to be maintained from all tidal waters and tidal wetlands within or in proximity to the Property unless otherwise provided by a Buffer Management Plan, if any. The

location of such tidal waters and tidal wetlands is shown on the Plat, as may be amended from time to time.

(b) A twenty-five foot (25') undisturbed buffer must be maintained from all non-tidal wetlands. No clearing or disturbance of any kind is permitted in such buffer area. "Clearing" includes removal or destruction of natural or existing trees, brush, vines, grasses, shrubs and other plant materials. The location of the non-tidal wetlands is shown on the plat of the Property as the same may be amended from time to time.

(c) No dredging, excavating or filling of the wetlands or any shallow water habitat, as may be shown on the Plat is permitted at any time.

(d) In addition to obtaining the written consent of the Architectural Committee, as Lot Owner must also comply with all the requirements and obtain the applicable building permits of the regulatory agencies of the State of Maryland and Anne Arundel County prior to the construction of any improvement or alteration of any existing improvement or structure situated on such Owner's lot. Any consent for the construction or alteration of any improvement by the Architectural Committee shall not be considered in lieu of the State and local permits or approvals. Notwithstanding the foregoing, Declarant shall be exempt from obtaining the consent of the Architectural Committee.

(e) The Recreation Area depicted at Pages 4 and 5 on

the Plat entitled "Section One Rock Creek Landing" contains an archeological interest site. The archeological interest site is to be limited to passive uses only and may not be disturbed in any manner without the prior approval of the Anne Arundel County Office of Planning and Zoning.

(f) The Open Space Areas, and the 100 Year Flood Plain shown and depicted at Pages 3 and 4 on the Plat entitled "Rock Creek Landing" are limited to passive recreational uses only. Clearing, grading, development and the use of vehicles within these areas is prohibited.

ARTICLE VI

ENVIRONMENTAL PROTECTION

The Plat contains specific, graphic depictions of the lines for buffer areas established to protect tidal wetlands and non tidal wetlands. The Plat may also contain specific limits on the maximum allowable area of disturbance to each of the Lots on the Property. The final recorded Plat is intended by Declarant to be included within the terms of this Declaration by reference as if fully set forth herein, and the building and development restrictions set forth on said Plat is intended to be observed and enforced in the same manner and by the same parties as if contained in this Declaration. The buffer areas established for tidal and non tidal wetlands are not to be cleared or disturbed in any way, and are intended to remain in their state of natural

vegetation in order to provide continued preservation of the existing wildlife habitat. No trees shall be removed from the buffer areas unless diseased or damaged by lightning or other natural occurrences. The maximum area of disturbance specified for each Lot is intended to show the maximum area permitted for impervious development and to create a maximum building envelope for each lot which will govern the maximum amount of such Lot which may be cleared, graded and/or occupied with structures (principal and accessory structures including pools, patios and other improvements). None of the restrictions noted on the Plat or in this Declaration shall be constructed to restrict the planting of additional trees, shrubs, flowers or other vegetation on a Lot, including any portion of such Lot within a specified buffer areas.

ARTICLE VII

USE RESTRICTIONS

Section 1. No lot shall be used except for residential purposes, or for the professional office of the occupant thereof.

Section 2. No fence, wall, hedge or shrub over three (3) feet high shall be allowed to be erected, planted or constructed upon the front yard of any Lot which is located at the intersection of two streets; the purpose of such covenant being to avoid obstruction of view at such intersections.

Section 3. No exterior clothesline or hanging device

BOOK 5142 PAGE 401

(except an umbrella-type structure with a diameter not exceeding seven (7) feet for use in rear of dwellings only) shall be allowed upon any lot. Such hanging devices as are permissible shall not be displayed except on weekdays between the hours of 8 a.m. and 6 p.m.

Section 4. No vehicles (including trailers and campers), except as may be classified as passenger cars or station wagons, shall be regularly parked in residential areas.

Section 5. No boats on cradles or trailers may be parked in the streets, driveways, yards or common parking areas for more than twenty-four (24) hours provided, however, that the Association may designate a specific place which shall be adequately screened from nearby residences for such parking.

Section 6. No noxious or offensive activities shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 7. During the sales period no signs may be displayed except those erected by Declarant. Thereafter, no signs exceeding two (2) square feet shall be displayed.

Section 8. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for a commercial purpose.

Section 9. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other wastes shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

Section 10. Architectural Control. No building, structure or Lot shall be used and no structure, building, sign, wall or fence shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee (hereinafter defined and sometimes referred to as "Committee") as more specifically described below. No structure, building, or fence existing upon any Lot may be altered in any way which materially changes the exterior appearance thereof, unless plans and specifications including a description of any proposed new use shall have been submitted to and approved in writing by the Committee. Such plans and specifications shall contain such information as may be required by the Committee, but in any event shall include: plans and specifications showing the structure's exterior elevation, dimensions, kind of materials, colors of exterior materials and location with respect to the particular parcel including building lot topography, proposed front, rear, and side set-backs of all structures, the location thereof with reference to other

structures, or outbuildings on the Lot and location of parking area and driveways on the Lot. Upon approval of plans submitted hereunder, a copy of such plans and specifications as approved will be deposited permanently with the Architectural Control Committee.

Section 11. Committee Membership. The Declarant shall serve as the Architectural Control Committee until such time as the Declarant no longer owns any part of the Property, nor any Lot. The Committee may designate a representative to act for it. Neither the members of the Committee, nor its designated representative, shall be entitled to any compensation for services performed pursuant to this covenant. At such time as the Declarant no longer owns any part of the Property nor any Lot, the powers and duties of the Architectural Control Committee shall be transferred to the Association, if any, which shall have an Architectural Control Committee as one of its committees, which said committee shall exercise the powers and duties of the Architectural Control Committee as herein set forth. The Directors of the Association shall appoint the members of the Architectural Control Committee. In the event no Association then exists, then the provisions of Sections 10, 11 and 12 of ARTICLE VII of this Declaration shall be deemed inoperative and of no further force and effect.

Section 12. Committee Procedure. The Committee's approval

or disapproval as required in these covenants shall be in writing. In the event the Committee or its designated representative, fails to approve or disapprove within sixty (60) days after plans and specifications have been submitted to it, approval will not be required and the related covenants shall be deemed to have been fully complied with.

The Architectural Committee's approval or disapproval will be primarily based on, but not limited to, the following:

- (a) Compliance with Covenants and Restrictions.
- (b) Adequacy and scope of information provided on plans and specifications.
- (c) Exterior appearance.
- (d) Use of proposed structures.
- (e) Location of proposed structures.
- (f) Site plan.

Approval of any such plans shall terminate and be rendered void if construction is not begun within twelve (12) months after such approval unless such twelve (12) month period is extended by agreement with the Architectural Committee in which event the extended period shall be applicable.

In any case where the Architectural Committee shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be

accompanied by a statement of the grounds upon which such action was based. Thereafter, no request for approval of the same or substantially the same plans need be received by the Committee for a period of eighteen (18) months following such disapproval or qualified approval. The Architectural Committee shall, however, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal can be prepared and submitted for approval.

Section 13. Non-Applicability as to Declarant. The provisions of Sections 10, 11 and 12 of ARTICLE VII of this Declaration shall not be applied to the Declarant nor shall the Declarant be bound thereby, except that Declarant shall serve as the Committee as provided in Section 11.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall

in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 6. Unimproved Lots. Notwithstanding any provisions of this Declaration of Covenants, Conditions and Restrictions to the contrary, the annual assessment payable with

respect to any unimproved lot owned by Declarant shall be an amount equal to twenty-five percent (25%) of that payable with respect to a lot owned by an Owner other than Declarant. From and after the conveyance by Declarant of any such lot to another Owner, the reduced assessment, as aforesaid, shall no longer be applicable.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 1 day of August, 1990.

TEST:

[Signature]

ATLANTIC UTILITIES, INC.

BY: [Signature]
Milton Horn President

STATE OF MARYLAND, ANNE ARUNDEL COUNTY, to wit:

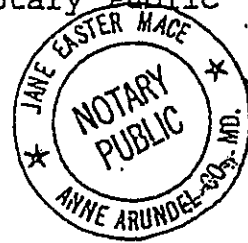
I HEREBY CERTIFY, That on this 1st day of July, 1990, before me, the subscriber a Notary Public of the State aforesaid, personally appeared MILTON HORN, who acknowledged himself to be the President of ATLANTIC UTILITIES, INC., the within Declarant, and that he as such Vice President, being authorized so to do, executed the afore-going instrument for the purposes therein contained, by signing in my presence, the name of the corporation by himself as such President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Jane Easter Mace
Notary Public

My Commission Expires:

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Mail to Atlantic Institutes