

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF SUN VALLEY ESTATES HOMEOWNERS ASSOCIATION

THIS DECLARATION (the "Declaration"), made this 27th day of April, 1994, by LENNART LARSON and DORIS K. LARSON (collectively, the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of certain real property located in the Sixth Election District, Charles County, Maryland, which is more particularly described in Exhibit A attached hereto and made a part hereof; and

WHEREAS, Declarant intends to subdivide and develop or cause to be subdivided and developed on the Property single family homes with appurtenant areas for parking and access and for open space, said subdivision to be known as Sun Valley Estates, Section Four-A; and

WHEREAS, Declarant intends to subdivide and develop or cause to be subdivided and developed additional land which will be annexed to the Property, and which shall be known as Sun Valley Estates, Sections 3 and 4; and

WHEREAS, Declarant desires to subject the Property and the improvements located or to be located thereon, to the covenants, conditions and restrictions set forth herein which are for the purpose of protecting the value and desirability of the Property and the improvements thereon and are for the purpose of distributing among the owners of the improvements the cost of maintaining and operating the common areas (as hereinafter defined), and any improvements constructed thereon; and

WHEREAS, Declarant has caused a non-profit membership Corporation known as SUN VALLEY ASSOCIATION, INC., to be formed in the State of Maryland in order to perform certain functions on behalf of the owners of lots within the Property, including, not limited to, the enforcement of the covenants, conditions and restrictions herein set forth, the management of the Property to be owned by the Association, and the collection and payment of the assessments and charges hereinafter created.

NOW THEREFORE, Declarant hereby declares that the Property and any part thereof, 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 enhancing the attractiveness of the Property, and which shall run with the Property, or any part thereof, and shall be binding upon all parties having any right, title or interest in or

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to the Property, or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner of the Property, or any part thereof, and their respective heirs, personal representatives, successors and assigns, and the Association (hereinafter defined).

ARTICLE I

DEFINITIONS

Section 1. "Architectural Committee." The Architectural Committee shall be composed of: (i) during the Development Period, a single individual appointed by the Declarant; and (ii) after the Development Period, three or more individuals so designated from time to time by the Board of Directors. Those individuals appointed by the Board of Directors after the Development Period may be removed from the Architectural Committee at any time by the Board of Directors at its discretion.

Section 2. "Association" shall mean and refer to Sun Valley Association, Inc., a Maryland nonprofit corporation, its successors and assigns.

Section 3. "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, or, if the Lot is subject to a reversion reserved in a lease redeemable pursuant to Title 8 of the Real Property Article, Annotated Code of Maryland, the owner of the leasehold interest, and not the holder of title as such of the reversionary interest; including contract sellers, but excluding those having an interest in any such lot merely as security for the performance of an obligation.

Section 4. "Property" shall mean and refer to that certain real property described in Exhibit A to this Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association and subjected to this Declaration as herein provided.

Section 5. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners, and is intended to be the entire Property, save and except for the Lots (as hereinafter defined). The Common Area shall include all roads, streets and parking areas within the Property unless the same are dedicated to the County or State for public use, and shall include any areas of "open space" on subdivision plats of the Property.

Section 6. "Board of Directors" shall mean the Board of Directors from time to time of the Association.

Section 7. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Property on which there is constructed or is intended to be constructed a residential dwelling.

Section 8. "Declarant" shall mean and refer to Lennart Larson and Doris K. Larson.

Section 9. "Development Period" shall mean the period that is five years from the date this Declaration is recorded among the Land Records of Charles County, Maryland. With respect to any Land annexed to the Property by Declarant as herein permitted, the "Development Period" shall mean the time that is five years from the time that such land is annexed to the Property by the recording of an Amendment hereto among the Land Records of Charles County, Maryland. Declarant shall have the right to extend the Development Period from time to time for up to five additional years. To exercise this extension option, Declarant shall execute and record an amendment to this Declaration setting forth Declarant's election to so extend and the period of extension; such amendment shall be executed and recorded prior to the then expiration of the Development Period (whether the original term or as previously extended). Declarant shall have the right to exercise this extension option from time to time as often as Declarant shall determine in its sole discretion for up to five years beyond the original term of the Development Period. Declarant shall have the right to terminate the Development Period at any time prior to its then expiration by the execution and recordation of an amendment to this Declaration. Notwithstanding anything to the contrary contained in this Declaration, any amendment under this Article I, Section 9, shall be valid and effective upon execution and recordation by Declarant solely, and shall require no other signature or approval by any party.

Section 10. "Structure" shall mean 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, garage, porch, shed, greenhouse, bath house, coop or cage, covered or uncovered patio, swimming pool, clothesline, radio, television, or other antenna, fence, sign, curbing, paving, wall, roadway, walkway, exterior light, landscape, hedge, trees, 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 (i) any excavation, fill, ditch, diversion dam, or other thing or device which affects or alters the natural flow of surface waters from, upon, or across the Property, 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, 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 purchase by each Owner (other than Declarant).

Section 11. "Private On-Site Storm Drain Agreement" shall mean the agreement or agreements, as the same may be amended or supplemented from time to time, to be executed with regard to the Property, by and between Declarant and The County Commissioners of Charles County, Maryland, entitled "Inspection and Maintenance of Private On-Site Storm Drain Systems Agreement - Declaration of Covenants" and/or "Inspection and Maintenance of Private On-Site Storm Water Management Agreement - Declaration of Covenants", or equivalent agreement(s); said agreement or agreements to be recorded among the Land Records of Charles County, Maryland. Declarant and the Association hereby ratify and accept the terms, covenants, and conditions of the Private On-Site Storm Drain Agreement(s).

ARTICLE II

PROPERTY RIGHTS

Section 1. Grant of Lots. Declarant shall hereafter hold, grant and convey the Property, or any parts thereof, including Lots and Common Area, subject to the covenants, conditions and restrictions herein set forth, which are for the benefit of, binding upon and shall run with the Property, and are for the benefit of Declarant, the Association and the Owners, their heirs, personal representatives, successors and assigns.

Section 2. Grant of Common Area. Declarant covenants that it will convey and/or dedicate to the Association the Common Area, and the Association shall accept from Declarant such Common Area and shall hold it subject to the provisions hereof.

Section 3. Owners' Easements of Enjoyment. Every owner shall have a right and nonexclusive 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 two-thirds of each class of members has been recorded.

Section 4. Delegation of Use. Any owner may delegate, subject to the terms and conditions of this Declaration, the By-Laws of the Association and any published rules and regulations of the Association, his right to enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on a Lot.

Section 5. Structures. Except as otherwise permitted by the provisions of this Declaration, no Structure shall be erected, placed or maintained on any Common Area except: (i) structures designed exclusively for the common use of Owners; and (ii) drainage, storm and utility systems. The Common Area may be graded, planted with trees and shrubs and other plants placed and maintained thereon for the use, comfort and enjoyment of the Owners or for the establishment, retention or preservation of the natural growth or topography of the Common Area and for aesthetic reasons.

Section 6. Rules. The Association shall have the right to prescribe reasonable rules and regulations governing the use of the Common Area; which rules and regulations shall be applied equally to all Owners.

Section 7. Association Management. The Association may improve and develop, and shall supervise, manage, operate, examine, inspect, care for, repair, replace, restore and maintain the Common Area, together with any items of personal property placed or installed thereon, at the cost and expense of the Association.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment by the Association 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. Voting. 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 (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members; the vote for such

Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot owned by a Class A member.

Class B. The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease, subject to revival upon additional land being annexed to the Property pursuant to this Declaration, 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) upon the expiration of the Development Period

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 Lot 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 Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to 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 of Lots in the Property, for the improvement and maintenance of the Common Area, and as is otherwise consistent with the rights and responsibilities of the Association under this Declaration and for the benefit of the Owners.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to a Class A Member, the maximum annual assessment shall be Ninety

and 00/100 Dollars (\$90.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to a Class A Member, the maximum annual assessment may be increased each fiscal year of the Association by an amount not more than either, 5% above the maximum annual assessment for the previous year, or the percentage increase in the previous year in the index commonly referred to as the "Consumer Price Index," "All Items United States", as published by the U.S. Department of Labor, Bureau of Labor Statistics, whichever is greater, without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to a Class A Member, the annual assessment may be increased above the maximum annual assessment allowed by Article IV, Section 3, paragraph (a), by a vote of not less than two-thirds (2/3) of each class of members, voting in person or by proxy, at a meeting duly called for this purpose, which amount shall then become the maximum annual assessment under this Declaration.

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

Section 4. Special Assessments. 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, and/or to meet any other deficit of the Association or any emergency or unforeseen expense of the Association, provided that any such assessment shall have the assent of not less than two-thirds (2/3) of the votes of each class of members voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3(b) and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3(b) or 4 above 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 at least 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, except that: (i) the Common Area, (ii) all properties dedicated to, and accepted by, a local public authority, and (iii) all property owned by, a charitable or nonprofit organization exempt from taxation by the laws of the State of Maryland, shall be exempt from the Assessments created herein, except no land or improvements devoted to dwelling or commercial use shall be exempt from said Assessments.

Section 7. Date of Commencement of Annual Assessments: Due Dates. (a) The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of any Lot to a Class A Member. The first annual assessment shall be fixed by the Board of Directors and shall be adjusted according to the number of months remaining in the calendar year. Thereafter, 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.

(b) If additional land is annexed to the Property, the annual assessments as to the Lots added to the Property by such annexation shall commence on the date that the land is annexed to the Property by recording of an amendment to this Declaration thus annexing such land to the Property and shall be prorated for the remainder of that fiscal year.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment which is not paid when due shall be delinquent. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum, and shall be subject to a late charge of Five Dollars (\$5.00) or five percent (5%) of the delinquent assessment, whichever is greater, and the Board of Directors shall have the right to declare the entire balance of the annual assessment and accrued interest thereon to be immediately due and payable. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or without waiving any other right, may foreclose the lien against the Lot, and interest, costs and reasonable attorneys fees incurred by the Association shall be added to and shall become due as part of the assessment and may be recovered in any action by the

Association. 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 Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust now or hereafter placed against a Lot, unless such lien for assessments has been duly recorded as such among the Land Records of Charles County, Maryland, prior to the recording of such mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure or any proceeding in lieu thereof, of a mortgage or deed of trust senior in priority to the assessment lien, shall extinguish the lien of such assessments as to payments 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. Any contract purchaser of a Lot shall be entitled, on written request to the Association, to a statement in writing from the Association setting forth the amount of any unpaid assessment against the Owner of the Lot due the Association, and such purchaser shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessments made by the Association against the Owner-Grantor or the Lot in excess of the amount set forth in such statement.

Section 10. Maryland Contract Lien Act. The Association may establish and enforce the lien for any assessment, annual or special, granted herein pursuant to 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, costs of collection, late charges permitted by law, and attorney's fees provided for herein or awarded by a court for breach of any of the covenants of this Declaration.

Section 11. Surplus Receipts. Any surplus of receipts over expenses and reasonable reserves of the Association for any fiscal year shall be either applied to reduce the assessments necessary to meet the budget adopted by the Association for the next fiscal year, or refunded by the Association to each Owner, and the refund may be prorated among the Owners (and former Owners), including the Declarant, based upon the portion of the previous fiscal year that each such Owner (or former Owner), including the Declarant, shall have held record title to the Lot, as determined by resolution of the Board of Directors.

Section 12. Reserve Fund. The annual assessments shall include an amount adequate to establish a reserve fund for replacement of capital improvements in the Common Area. A proportionate amount of each assessment payment received by the Association, applicable to the reserve fund, shall be received and held by the Association in trust, and shall be held separate and

apart from other Association funds. Such trust funds shall be retained by the Association and used only for capital improvements and/or replacement of Common Area facilities of the Association upon the approval of a majority of Owners; except that in any fiscal year, the Board of Directors, by a majority vote of a quorum thereof, shall have the authority to approve the use of up to the greater of (i) One Thousand Dollars (\$1,000.00) or (ii) twenty percent (20%) of said trust funds for such capital improvements and/or replacement of capital improvements in the Common Areas, without a vote of the Owners.

ARTICLE V

RESERVED RIGHTS OF DECLARANT

Section 1. Reserved Rights of Declarant. The Association shall hold the Common Area conveyed to it by Declarant subject to the following:

(a) The reservation to Declarant of an easement over any part of the Common Area, including any roads located thereon, such easement for the purpose of ingress and egress and the installation and maintenance of public and private utilities to serve the Property and any part thereof, including any Lot.

(b) The reservation to Declarant of an easement to store reasonable amounts of building supplies, construction equipment and other similar property on any Lot it owns and/or on the Common Area. This reserved right shall expire upon the expiration of the Development Period.

Section 2. Sales and Construction Offices. Declarant may construct, maintain and operate real estate sales and construction offices, model homes, displays, signs and special lighting on any part of the Common Area or on any Lot it owns and on or in any building or structure now or hereafter erected thereon. This reserved right shall expire upon the expiration of the Development Period.

Section 3. Easement for Utilities. Declarant for itself, its successors and assigns, reserves an easement on, over and under the Common Area for the purpose of ingress and egress and the installation and maintenance of public and private utilities to serve the Property and the Lots therein, including, but not limited to, the right to lay, install, construct and maintain pipes, drains, mains, conduits, lines, meters, septic fields and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant, in its sole discretion, necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located, together with the right and privilege of entering upon the Common Area for such purposes and

making openings and excavations thereon, which openings and excavations shall be restored in a reasonable period of time.

Section 4. Grading. Declarant further reserves the right, for itself, its successors and assigns, at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Lot and grade a portion of such Lot adjacent to such street, provided such grading does not materially interfere with the use or occupancy of a residence built or to be built on such Lot, but Declarant shall not be under any obligation or duty to do such grading or to maintain any slope.

Section 5. Amendment of Plats. No right shall be conferred upon any Owner by the recording of any Plat relating to the development of the Property to require the development of the Property in accordance with such Plat. Declarant expressly reserving unto itself, its successors and assigns, the right to make such amendments to any such Plat as shall be advisable in its sole judgment and as shall be acceptable to public authorities having the right to approval thereof.

ARTICLE VI

MAINTENANCE BY OWNER

The Owner of each Lot shall keep the Lot, and all improvements thereon, in good order and repair, in a manner and with such frequency as is consistent with good property management and maintenance. If, in the reasonable opinion of the Architectural Committee, any Owner fails to perform the duties imposed hereunder, the Association, on affirmative action of a majority of the Board of Directors, after fifteen (15) days written notice to the 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, repaint and/or restore the Lot and the improvements or structures thereon, and the cost thereof shall be a binding, personal obligation of such Owner of the Lot, and an additional assessment on the Lot.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. Building Restrictions. No building, fence, wall or other Structure shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein be made, nor shall the natural state of any area of any Lot be disturbed or altered, by an Owner or at the direction of an Owner, until the plans and specifications showing the nature, kind, shape, dimensions, height, materials, floor plans, color scheme, exterior plans and details, and location of the same, together with the estimated cost of the work and the Owner's proposed completion

schedule, and together with a designation of the party or parties to perform the work, shall have been submitted to and approved in writing, as to harmony of external design and location in relation to surrounding Structures and topography, by the Architectural Committee. In the event the Architectural Committee fails to approve or disapprove such design and location within forty-five (45) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 2. Committee Criteria. The Architectural Committee shall consider applications for approval of plans, specifications, etc., upon the basis of conformity with this Declaration and shall be guided by the extent to which the proposed Structure, addition or alteration will insure 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 Structures; choice of colors; changes in topography, grade elevations, and/or drainage; factors of public health and safety; the effect of the proposed Structure, addition, or alteration on the use, enjoyment, and value of other neighboring properties, and/or the outlook or view from adjacent of neighboring properties; and the suitability of the proposed Structure, addition, or alteration, taking into account the general aesthetic values of the surrounding area. The Architectural Committee shall also consider the ability of the party or parties designated by the Owner to complete the work proposed in accordance with the plans and specifications submitted.

Section 3. Setbacks. No Structure shall be erected, placed, altered, or permitted to remain on any Lot nearer to any street or any other Lot than the minimum building setback line for the Lot as shown on the Plat therefor or as provided by applicable law.

Section 4. Design, Materials, Size and Fencing.

(a) In general, all homes and any Structure shall be designed to blend into the natural surrounding of the Property and the Lots. All plans and grading shall follow the natural topography as closely as possible. One story homes and split foyer homes shall have at least 1,400 square feet of living area, exclusive of porches, patios, sunrooms and garages. Cape Cod style homes shall have at least 1,200 square feet of living area on the first floor and 1,600 square feet of total living area, exclusive of porches, patios, sunrooms and garages, and shall have at least a one-car garage with a minimum square footage of 12' x 22'. Split level homes shall have at least 1,400 square feet of living area, exclusive of porches, patios, sunrooms and garages, shall have a foundation size of at least 50' x 28' or equivalent square footage, and shall have at least a one-car garage with a minimum square footage of 12' x 22'. Two story homes shall have at least 2,000 square feet of living area, exclusive of porches, patios, sunrooms

and garages, and shall have a two-car garage. The foregoing is intended to set forth certain minimum guidelines regarding homes constructed on the Lots, and is not intended to limit or modify the discretion of the Architectural Committee or any of the terms of this Declaration.

(b) Natural materials and earth tone colors shall be employed in the construction of each home and any Structure. Only first class materials will be allowed. Approved exterior materials include: brick, stone, wood, siding (vinyl or aluminum) or stucco. No more than one foot of concrete, block, or parged block are to be exposed above grade.

(c) Fencing shall be allowed provided it does not exceed six feet in height. All fencing shall be wood. Chain link, vinyl clad, metal, or aluminum fences are prohibited. Fencing shall be permitted only in back yards; no fence shall extend to the front of home beyond the rear corners of the home. *looked at height*

Section 5. Front Yard. The front yard on each Lot shall be kept only as a lawn, including trees, flowers, and shrubs. No trees or shrubs shall be located on any Lot which block the view of operators of motor vehicles so as to create a traffic hazard.

Section 6. Disapproval of Plans. In any case where the Architectural Committee shall disapprove the 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 in writing of the grounds upon which such action was based. In any such case, the Architectural Committee shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal can be prepared and submitted for approval. However, the final decision of the Architectural Committee is binding.

Section 7. Approval of Plans. The applicant shall submit for approval two sets of plans and specifications. Upon approval by the Architectural Committee, one copy of such plans and specifications shall be retained by the Architectural Committee, and the other bearing approval in writing shall be returned to the applicant.

Section 8. Nonapproved Structures. If any Structure shall be altered, erected, placed or maintained upon any Lot, or any new use commenced on any Lot, in violation of the provisions hereof, such Structure or new use shall be removed or discontinued, and such use shall be terminated so as to extinguish such violation. If within fifteen (15) days after notice from the Declarant or the Board of Directors of such violation, the Owner of the Lot upon which such violation exists shall not have taken reasonable steps towards the removal of termination of the same, the Declarant

and/or the Association, through its or their agents and employees, shall have the right to enter upon the Lot and to take such steps as are necessary to extinguish such violation and the cost thereof shall be a binding, personal obligation of the Owner of the Lot, and an additional assessment on the Lot.

Section 9. Completion of Construction. Any plans for improvements or Structures approved hereunder for construction shall be promptly commenced and diligently completed by the Owner or on behalf of the Owner. Upon completion of construction of any Structure in accordance with the provisions hereof, the Architectural Committee, upon request of the applicant shall issue a Certificate of Compliance in a form suitable for recordation among the Land Records of Charles County, Maryland, 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. Preparation and recording of such Certificate shall be at the expense of the applicant. Any Certificate of Compliance issued pursuant hereto shall be prima facie evidence of the facts therein stated, and as to any purchaser or encumbrancer in good faith, and for value, or as to any title insurer, such Certificate shall be conclusive evidence that all Structures on the Lot noted in such Certificate comply with the provisions hereof.

Section 10. Declarant Exemption. The provisions of this Article VII shall not apply to any Lot or property owned by the Declarant or to any Structures made by Declarant, or any other improvements made by Declarant on any Lot, or within the Property or any addition thereof.

Section 11. Architectural Review Rules. The Architectural Committee may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of this Article VII of this Declaration.

Section 12. Interpretations. The Architectural Committee shall be the interpreter of the provisions of this Declaration with respect to all matters involving aesthetics. Its decision in such matters shall be final if consistent with the intent of this Declaration. In any and all events, the Architectural Committee and/or the Declarant, and its assignee, will not be liable for any decision, action, or inaction taken hereunder with respect to any such matters concerning aesthetics.

ARTICLE VIII

RESTRICTIONS ON LOTS

Section 1. Residential Use. Lots will be used for residential single-family dwelling purposes only.

Section 2. Motor Vehicles. No boats, boat trailers, camping

trailers, recreational vehicles, campers, or the like shall be parked on a Lot except for a period of less than fifteen (15) days in any calendar year, unless parked in a garage or approved structure and not visible from the front of the Lot or from adjoining Lots. No such vehicle may be kept on the Common Area, other than in designated parking areas, if any. No commercial or industrial vehicles shall be parked, stored or kept on any Lot on a regular basis. For purposes of this paragraph, the Association shall have the right in its sole discretion to determine what use constitutes "regular".

Section 3. Structures. No Structure may be erected or maintained on any Lot in violation of Article VII above.

Section 4. Animals. No animals, livestock or poultry may be kept, maintained or bred on any Lot, except that no more than two (2) dogs, cats or similar domestic household pets may be kept on a Lot, provided they are not kept, bred or maintained for any commercial purpose and provided further that they are kept in such a manner as to avoid becoming a nuisance to neighbors or adjoining property owners. No animal shall be permitted outside of the dwelling of an Owner unless the animal is under the control of a responsible person. Upon request of any Owner, the Board of Directors shall determine, in its sole discretion, and conclusively, whether for the purposes of this paragraph a particular animal shall be considered a "similar domestic household pet" or its actions have constituted a "nuisance", or it has been properly kept "under the control of a responsible person."

Section 5. Parking Areas. All motor vehicles shall be stored or parked only in designated parking areas on a Lot, or designated parking areas on the Common Area, if any. All such vehicles shall be in working order, properly registered, and no repairs, except those of a minor nature, shall be permitted to be done on any such vehicles on any of the Common Area or on any Lot, unless such work is done within a fully enclosed garage on such Lot.

Section 6. Noises and Nuisances. No nuisance shall be maintained, allowed or permitted on any part of any Lot or Common Area, and no use thereof shall be made or permitted which may be noxious or detrimental to health or which may become an annoyance or nuisance to the neighborhood.

Section 7. Trash. No lumber, metals, bulk materials, garbage, refuse or trash shall be kept, stored or allowed to accumulate on any Lot; no Lot shall be used or maintained as a dumping ground for any material; trash, garbage or other waste shall not be kept on any Lot except in sanitary containers. All equipment and containers for the storage or disposal of such material shall be kept in a good, clean and sanitary condition. During construction of any approved Structure on a Lot, the Owner

shall keep the construction site free of unsightly accumulations of rubbish and scrap materials, and construction materials, trailers, shacks and the like employed in connection with such construction shall be kept in a neat and orderly manner. Trash or other refuse that is to be disposed of by being picked up and carried away on a regular and reoccurring basis, may be placed in the open in an approved container on any day that a pick-up is to be made, at such place on the Lot so as to provide access to persons making such pick-up. At all other times, such containers shall be stored in such a manner so that they cannot be seen from adjacent and surrounding property. The Architectural Committee, in its discretion, may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of same on a Lot.

Section 8. Declarant Exemption. Anything contained in this Article VIII to the contrary notwithstanding, any Lot may be used by Declarant for model home purposes or for the maintenance of a real estate and/or construction office during the Development Period. Declarant shall be entitled to conduct on any Lot all activities normally associated with and convenient to the development of the Property and the construction and sale of the residences thereon and, during the Development Period, the provisions of this Article VIII shall not apply to any Lot owned by the Declarant so long as the Lot is not occupied as a residence.

Section 9. Subdivision. Without the prior written approval of the Architectural Committee, no Lot and no portion of the Common Area shall be subdivided except by the Declarant.

Section 10. On-Site Storm Drain. Each Owner of a Lot, and the Owner's heirs, successors and assigns, shall fully comply with the terms and conditions of the Private On-Site Storm Drain Agreement(s).

ARTICLE IX

ANNEXATION

Section 1. Additional Property. Additional residential Lots and Common Areas may be annexed to the Property with the consent of not less than two-third (2/3) of each class of members of the Association.

Section 2. Recording. Any annexation made to the Property hereunder shall be done and become effective upon recording of an Amendment to this Declaration among the Land Records of Charles County, Maryland, specifying the additional land to be annexed to the Property.

Section 3. Annexation By Declarant. Notwithstanding the foregoing, during the Development Period Declarant shall have the

right, without the need for consent or approval of the members, to annex additional Lots, Common Area and other land to the Property and to bring within the provision of this Declaration such additional Lots, Common Area and other land to be held and conveyed in accordance with the provisions hereof.

ARTICLE X

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 way affect any other provisions, which shall remain in full force and effect.

Section 3. Amendment. (a) The covenants and restrictions of this Declaration shall run with and bind the Property, and all parts thereof, and any additions thereto, 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.

(b) Until the conclusion of the Development Period, including any extended period for additional land annexed to the Property, no amendment may alter or affect any rights granted hereunder to Declarant without the prior written consent of Declarant.

(c) Anything set forth above to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power and authority to amend, modify, revise or change any of the terms or provisions of this Declaration. This unilateral right, power and authority of the Declarant may be exercised only if either the Veterans Administration or the Federal Housing Administration, or any successor agencies thereto, shall require such action as a condition precedent to the approval by such agency of the Property or any part thereof, or of any Lot thereof, for federally approved or guaranteed mortgage financing under applicable Veterans Administration, Federal Housing Administration or similar programs. If the Veterans Administration or the Federal Housing Administration, or any successor agency, approves the Property or

any part thereof or any Lot thereon, for federally approved or guaranteed mortgage financing thereafter any amendments to the Declaration made during any period of time when there are Class B Members shall also require the prior consent of the agency giving such approval.

Section 4. FHA/VA Approval. If the Veterans Administration or Federal Housing Administration, or any successor agency, approves the Property or any part thereof, or any Lot thereon, for federally approved or guaranteed mortgage financing, as long as there is a Class B membership, the following actions will require the prior approval of the agency giving such approval: annexation of additional properties, dedication of Common Area, and amendment of this Declaration.

Section 5. Remedies. Damages may not be deemed adequate compensation for any breach of violation for any provision hereof, so that any person or entity entitled to enforce any provision hereof shall be entitled to relief by way of injunction as well as any other available relief either at law or in equity.

Section 6. Assignment of Declarant Rights. All or any part of the rights and powers (including discretionary powers and rights) reserved by or conferred upon the Declarant by this Declaration may be assigned or transferred by the Declarant to any successor developer of all or any part of the Property, to the Association, the Architectural Committee, or any community association or architectural committee composed of residents of the Property. Any such assignment or transfer must be in writing and shall be evidenced by an appropriate instrument recorded among the Land Records of Charles County, Maryland, and upon recordation thereof, the grantee or grantees of such rights and powers and shall thereafter have the right to exercise and perform the rights and powers expressly granted thereunder by the Declarant. In the absence of such express grant, no individual, group or entity shall be entitled to any of the rights or powers reserved by or conferred upon the Declarant by this Declaration.

ARTICLE XI

FORCE MAJEURE

Whenever a time period is provided herein for Declarant to do or perform, or within which Declarant may do or perform any act or thing, including, but not limited to, the time of the Development Period, in the event Declarant is delayed or hindered in or prevented from doing or performing such act or thing by reason of strikes, labor troubles inability to procure labor or materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, acts of God, fire, or other casualty or reason of similar or dissimilar nature beyond the reasonable control of Declarant, then performance of such act or thing shall

be excused for the period of the delay, and the period for the performance of such act or thing shall be extended for a period equivalent to the period of such delay. In no event shall the extensions of time permitted herein extend beyond twenty (20) years from the date hereof.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 27th day of April, 1994.

WITNESS:

DECLARANT:

Stephen H. Scott

Lennart Larson (SEAL)
Lennart Larson

Stephen H. Scott

Doris K. Larson (SEAL)
Doris K. Larson

STATE OF MARYLAND
COUNTY OF CHARLES; to wit,

I HEREBY CERTIFY that on this 27th day of April, 1994, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Lennart Larson and Doris K. Larson, collectively the Declarant, and acknowledged that they executed the foregoing Declaration for the purposes therein contained.

AS WITNESS my hand and Notarial Seal

Michelle L. Scott
Notary Public

My Commission expires: 07-24-95

Attorney's Certificate

I HEREBY CERTIFY that I am an attorney duly admitted to practice before the Court of Appeals of Maryland and that this instrument was prepared by me or under my supervision.

Stephen H. Scott
Stephen H. Scott

After Recording Return To:

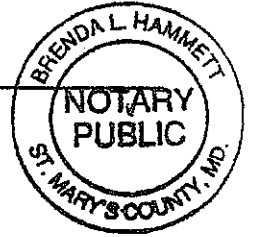
Stephen H. Scott, Esq.
Andrews, Schick, Bongar & Starkey, P.A.
P.O. Box 696
Waldorf, Maryland 20604-0696
sunval/Day

STATE OF MARYLAND)
) SS:
COUNTY OF CHARLES)

I hereby certify that on this 16th day of May, 1994, before me, the subscriber, a notary public in and for the jurisdiction aforesaid, personally appeared Marshall Gibson, known to me (or satisfactorily proven) to be the Assistant Vice President of Maryland Bank & Trust Company and acknowledged that he executed the foregoing instrument on behalf of Maryland Bank & Trust Company for the purposes therein contained.

Witness my hand and notarial seal.

Brenda L Hammett
Notary Public



My commission expires: 4-1-97

EXHIBIT A
PROPERTY

All of those pieces or parcels of land containing in the aggregate 7.0383 acres, more or less, as shown and depicted on a Plat of Subdivision entitled, "Section Four-A, Lots 7 thru 13 Block 'C', Lots 6 thru 10 Block 'H' & Lots 1 thru 3 Block 'I', 'Sun Valley Estates'", recorded among the Land Records of Charles County, Maryland, in Plat Book 45, at Folio 177; lying and being in the Sixth Election District of Charles County, Maryland; and intending to be included herein all of the Lots, Streets and Common Area shown on said Plat of Subdivision.