

Declaration

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LIBER 960 PAGE 40 "ST. MARTIN'S BY THE BAY" DECLARATION OF COVENANTS, CONDITIONS RESTRICTIONS, RESERVATIONS, EASEMENTS, CHARGES AND ASSESSMENTS

THIS DECLARATION, made this day
of , in the year nineteen hundred and eighty-four
(1984), by ST. MARTIN'S GROUP, INC., a body corporate of
the State of Maryland, hereinafter referred to as "Declarant".

WHEREAS, Declarant is the owner of a tract of land,
of some 77 acres, situate on the northwesterly side of, but
not abutting on, Beauchamp Road and on the south shore of
the Shingle Landing Prong of the St. Martins River, in the
Third Election District of Worcester County, Maryland (said
property having been acquired by Declarant from the
Personal Representatives of the Estate of Tom Holland
Nelson, deceased, by deed dated June 11, 1981, and
recorded among the Land Records of said Worcester County
in Liber F.W.II. No. 771, folio 334); and

WHEREAS, Declarant is in the process of developing
said tract of land, or portions thereof, segmentally, as a
planned residential community, consisting of single-family
lots, townhouse units, and common areas; said planned
residential community to be known as "St. Martin's By The
Bay"; and

WHEREAS, the first segment, or section, of said
planned residential community has been laid out (although

certain portions thereof are intended to be further subdivided), as will appear by reference to a plat entitled "Plat 1, Section I, ST. MARTIN'S BY THE BAY", made by I.P.D.S., Ltd., dated January 1984 recorded among the Land Records of Worcester County, Maryland, in Plot Book W.C.L. No. 87 folio 65; and

WHEREAS, Declarant desires to subject the property shown on the aforesaid subdivision plat to certain covenants, conditions, easements, restrictions, reservations, assessments and charges; and

WHEREAS, Declarant desires to reserve the right to subject, at a later date, other parts of its property adjoining the property shown on said subdivision plat to the operation and effect of said covenants, conditions, easements, restrictions, reservations, assessments and charges.

NOW, THEREFORE, THIS DECLARATION WITNESSETH that the Declarant hereby declares that, except as herein otherwise provided, each and every part of the property shown on said subdivision plat and all further subdivisions thereof, and each and every part of such of Declarant's adjoining lands as may hereafter expressly be made subject to the operation and effect hereof, shall henceforth be held, sold conveyed subject the following covenants, conditions, easements, restrictions, reservations, assessments and charges, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said property which said covenants, conditions, easements, restrictions, reservations, assessments and charges shall run with the land and be binding on all parties having or acquiring any right, title or interest in said property, or any part thereof, and shall inure to the benefit of each and every owner thereof. **ARTICLE I DEFINITIONS**

Section 1. "Association" shall mean and refer to St. Martin 's Homeowners'

Association, Inc., a Maryland corporation.

Section 2. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 3. "Subdivision" shall mean and refer to the property shown on the aforesaid subdivision plat and, from and after their inclusion herein as hereinafter provided, such additional parts Declarant's aforesaid property as may hereafter be shown on a recorded subdivision plat and expressly subjected to the operation and effect of this Declaration.

Section 4. "Lot" shall mean and refer to any plot or parcel of land, expressly including any lot laid out for and intended to accommodate townhouse units, in the Subdivision, with the exception of the Common Areas, excluding, however, any plot or parcel of land hereinafter expressly exempted from the operation hereof.

Section 5. "Common Areas shall mean and refer to, with respect to Section I of the Subdivision, the parcels of land designated as Parcel "A", Parcel "B", Parcel "C", Parcel "D", Parcel "M", and Parcel "N" on the aforesaid plat entitled Plat 1, Section I, ST. MARTIN'S BY THE BAY", and such other portions of the lands depicted on said plat as may hereafter be expressly designated common areas; and "Common Areas" shall mean and refer to, with respect to any additional lands of Declarant as may hereafter be made a part of the Subdivision, as provided in Section 3 of this Article, such parts of such additional lands as may be designated on the subdivision plat or plats of such additional lands as "Common Areas", or as may be expressly designated "Common Areas" in the document subjecting such additional lands to the operation and effect of this Declaration.

Section 6. "Dwelling Unit" shall mean and refer to a building or portion thereof, originally arranged or designed to provide living facilities for only one family.

Section 7. "Roadway" shall mean and refer to any road or street (including cul-de-sacs), public or private, within the Subdivision; it to be understood, however, that nothing herein continued shall constitute an offer dedication of any Roadway shown on any recorded subdivision plat of the Subdivision.

Section 8. "Front lot line" shall mean and refer to that Line of any Lot abutting on a Roadway.

Section 9. "Corner Lot" shall mean and refer to any Lot fronting on two or more Intersecting roadways.

Section 10. "Owner" shall mean and refer to the record owner, other than a designated successor to Declarant or an additional declarant, whether one or more persons or entities, of the fee simple interest in a Lot (such term not to include however, those having such interest merely as security for the performance of an obligation).

Section 11. "Declarant" shall mean and refer to St. Martin 's Group, Inc., its successors or assigns as to or of the whole of property laid down on the aforementioned plat entitled "Plat 1, Section I, ST. MARTINIS BY THE BAY", or as to or of Declarant's remaining and unsubdivided land, should the same be subjected to the operation hereof, and/or such persons (or other legal entities) as shall acquire more than five undeveloped lots from the Declarant for the purpose of development and be designated by Declarant as

an additional declarant.

Section 12. "Declaration" shall mean and refer to this Declaration of Covenant Conditions, Restrictions, Reservations, Easements, Charges, and Assessments.

ARTICLE II SUBJECTION OF OTHER PARTS OF DECLARANT'S PROPERTY TO THE EFFECT HEREOF

Declarant, for itself and its successors and assigns, reserves the right, acting unilaterally to subject, at a later date, other segments of its aforesaid planned residential community, or other parts of Declarant's presently owned but unsubdivided lands, to the operation and effect of this Declaration, and/or any amendment or supplement thereto.

ARTICLE III MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to this Declaration, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligatic no owner shal1 have more than one membership. Membership shall be appurtenant to and me not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership **ARTICLE IV VOTING RIGHTS**

The Association shall have two classes of voting membership.

CLASS A - Class A members shall be all those Owners as defined in ARTICLE III with the exception of Declarant, until such time as Declarant's membership is converted as hereinafter provided. Class A members shall be entitled to one vote for each lot, unimproved or improved, in which said member holds the interest required for membership by ARTICLE III; provided, however, that, where more than one person holds such interest in anyone Lot, all such persons shall be members, the vote for such Lot to be

exercised as they themselves determine, but in no event shall more than one vote be cast with respect to any Lot pursuant to this subparagraph. Voting by proxy shall not be allowed.

CLASS B - The Class B member shall be the Declarant. The Class B member or members shall be entitled to twenty (20) votes for each Lot , unimproved or improved, in which it holds the interest required for membership by ARTICLE III. Any authorized officer or agent of Declarant shall be entitled to cast all of Declarant's votes.

PROVIDED, HOWEVER, that the Class B membership shall cease and be converted to Class A membership, with the voting rights therein applicable, upon 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, 2000,

PROVIDED, FURTHER, that 10 years from the date of the conveyance of the first Lot by Declarant or when 30% of the Lots are conveyed, whichever occurs first, then irrespective of the actual Class B or Class A votes to which Declarant shall be entitled, Declarant shall be deemed to have the lesser of (1) of its actual Class B or Class A votes, or (2) a number of votes equal to one less than the aggregate of Class A votes of Lot owners other than Declarant. **ARTICLE V PROPERTY RIGHTS**

Section 1. Members' Easements of Enjoyment. Every member shall have right of easement of enjoyment in and to the Common Areas and such right of easement 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 limit the number of guests and members;

(b) The right of the Association to charge reasonable fees for the use of any facilities situated from time to time upon the Common Areas;

(c) The right of the Declarant and/or the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Areas and facilities and in aid thereof to mortgage said property (i.e., Common Areas and facilities), and the right of members shall be subordinate to the rights of any mortgage thereof; provided however, that no such mortgage shall be given which might result in the loss of the community water supply and/or sewerage system or any component thereof (including sewage reserve and recovery areas);

(d) The right of the Declarant and/or the Association to take such steps as are reasonably necessary to protect the Common Areas against foreclosure;

(e) The right of the Association to suspend the voting rights and right to use the Common Areas and facilities by a member for any period during delinquency, continuing thirty days or more, in payment of any assessment authorized by this Declaration;

(f) The right of the Association to dedicate or transfer all or any part of any Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors. No such dedications or transfer shall be effective unless an instrument signed by members entitled to cast two-thirds of the votes of the Class A membership and two-thirds of the

votes of the Class B membership, if any, has been recorded, agreeing to such dedication or transfer;

(g) Without the assent or signature of the membership being required, the Board of Directors of the Association shall have the right to grant such easements, rights of way, and licenses in and through the Common Areas as it shall from time to time deem necessary or desirable;

(h) Without the assent or signature of the membership being required, The Board of Directors of the Association shall have the right to have a navigation channel for small craft dredged within any Common Area notwithstanding the fact that such action may reduce, alter or affect the Association's ownership and/or use rights in such Common Areas;

(i) Declarant, its successors and assigns, shall have the right to grant and the right to assign the right to grant nonexclusive easements for ingress and egress through the Common Areas, as they shall from time to time exist, to such persons, firms and corporations as Declarant shall deem necessary and desirable for the growth and development of the Subdivision; provided, however, that no easements granted pursuant to the authority hereof shall in any way interfere with the community water supply and sewerage systems, or the proper operation, maintenance, repair and replacement thereof.

(J) The Declarant reserves an easement and right to use and utilize the beds of the roadways within the Subdivision for the installation and/or erection of such public and/or private utilities above or below the ground level as may from time to time be deemed necessary or desirable by Declarant to provide such facilities to the owners or occupiers of said Lots as well as to other real property of Declarant not now subject to this Declaration; and the said Declarant expressly reserves the right to create slopes, grade, change the grade of or regrade any roadway provided

that no act shall be taken that will prevent reasonable and convenient ingress to and from any Lot;

(k) The Association shall not have the right in any way to affect or interfere with the rights herein reserved to Declarant.

Section 2. Delegation of Use. Any member may delegate, in accordance with the Bylaws of the Association, his right of enjoyment to the Common Areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property, and such other persons as may be permitted by the association.

Section 3. Title to Common Areas. The Declarant hereby covenants, or itself and its successors and assigns, that it will convey all of its right, title and interest in and to the Common Areas of any Section of the Subdivision, subject to the provisions hereof and all covenants, easements and restrictions of record, to the Association no later than at the time the last Lot in such section is conveyed (e.g., it will convey to the Association the Common Areas in Section I no later than at the time the last Lot in Section I is conveyed) to other than a designated successor or additional declarant. Except as hereinabove provided, the Declarant may retain title to such Common Areas until such time, as in the sole opinion of Declarant, the Association is able to maintain the same, but all such conveyances must be made by January 1, 2000. **ARTICLE VI ASSESSMENTS AND CHARGES**

Section 1. Creation of the Lien and Personal Obligation of Assessments.

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Each Owner of a Lot in the Subdivision by the acceptance of a deed for such Lot , whether it shall be so expressed in such deed or other conveyance, is conclusively deemed to covenant and agree to pay to the Association the following assessments.

(a) Annual Assessments:

(1) An annual assessment for the purpose of operating and maintaining the Association and the payment of expenses in connection therewith (this assessment hereinafter being referred to as the "Regular Annual Assessment"); and

(2) An annual assessment for the operation, maintenance, repair and replacement of the Subdivision's community water supply and sewerage systems, and the creation of a monetary reserve to cover such repair and replacements costs (the assessment hereinafter being referred to as "Water/Sewer Annual Assessment");

(b) Special Assessments:

(1) Special assessments for capital improvements to or on Common Areas; and

(2) Special assessments to cover any deficiency, actual or anticipated, in revenues available, or anticipated to be available, for the operation, maintenance, etc., of the aforesaid community water supply and sewerage systems;

(c) Charges:

(1) The monthly charge, provided for in Section 4 of this Article, pending the levying of the first annual assessment therefore, relative the operation and maintenance of the aforesaid community water supply and sewerage systems; and

(2) Each purchaser of a Lot shall, concurrently with settlement on such purchase, pay to the Association (as a one-time payment) the sum of five Hundred Dollars (\$500.00), the same representing each Lot's estimated proportionate share of the security for a Letter of Credit to be issued by a commercial bank (presently intended to be Calvin B. Taylor Banking Co. of Berlin, Md.) as required by The Department of Health and Mental Hygiene of the State of Maryland, as a prerequisite to approving the Subdivision's use of community water supply and sewerage systems, to assure to said Department of Health and Mental Hygiene, the availability of funds with which to replace and or repair the community water supply and sewerage system, or any component thereof. All monies received by the

Association under this paragraph shall be deposited in a special escrow account with the bank issuing the aforesaid

Letter of Credit as the security for the same. It is to be understood that the monies deposited in said special escrow account may not be withdrawn by the Association. Funds to operate, maintain, repair or replace said community systems, or any component thereof, are to be raised by the Association by the Water/Sewer Annual Assessments and any necessary special assessments. The purpose of the Letter of Credit herein mentioned is to assure to the Department of Health and Mental Hygiene that should the replacement of or repairs to the aforesaid community water supply and sewerage systems, or any component thereof, become necessary, and should the Association refuse or fail to provide such replacement or make such repairs, funds will be available to said Department of Health and Mental Hygiene with which to provide such replacement or make such repairs; such assessments and charges to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, and said other charges, together with such interest thereon and costs of collection thereof as hereinafter provided 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, or charge, together with such 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 or charge well due. The personal obligation for any said past due assessments or charges 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 for the following purposes: the promotion of the recreation, health, safety, and welfare of the residents in the Subdivision; the payment of all costs relating to the maintenance and operation of the Association; the operation,

maintenance, repair, and replacement of community water supply and sewerage systems, and the establishment of a monetary reserve with which to make such repairs or replacements; the payment of the charges, expenses and all other costs relating to the improvement, maintenance, replacement and repair of the Common Areas (including the cost of all labor, equipment, materials, management, supervisions and all other costs directly or indirectly incident thereto); the promotion, improvement and maintenance of the beautification of the Subdivision, as it shall from time to time exist, including, but not limited to, any fences from time to time surrounding all or any part of the Subdivision, the entrances to the Subdivision and the areas from time to time used in common or designated for use in common by the residents of the Subdivision; the payment of any taxes or assessments levied from time to time by any lawful authority against the said Common Areas; the payment of any insurance from time to time carried on the Common Areas or the facilities dedicated thereon; and the improvement and maintenance of the Subdivision, services and facilities devoted to the promotion of the health, recreation, safety and welfare of the residents of the Subdivision.

Section 3. Regular Annual Assessments.

(a) The maximum Regular Annual Assessment shall not exceed Two Hundred Dollars (\$200.00) per annum per Lot, improved or unimproved, based on the nationally established consumer price index on January 1, 1984; but subject, however, to adjustment in accordance with any adjustments in said index, as hereinafter provided, and subject to the provisions of subparagraph (d) below.

(b) Until January 1, of the year following the first conveyance of Lots by Declarant, the Regular Annual Assessment shall be Two Hundred Dollars (\$200.00) per Lot, adjusted in accordance with Section 7 hereof.

(c) From and after January 1 of the year following the

first conveyance of Lots by Declarant, the maximum Regular Annual Assessment for Lots may be increased effective January 1 of each year by the Board of Directors of the Association without a vote of the membership in conformance with a rise in the cost of living index. The maximum Regular Annual Assessment for any said year shall be computed and determined by multiplying the then allowable maximum Regular Annual Assessment by a fraction, the numerator of which shall be the average "United States Bureau of Labor Statistics Consumer Price Index, All items United States" for the month of July of the preceding year, the denominator of which shall, in each instance, be the average "Index" for January, 1984. If such Index referred to shall be discontinued, the Board of Directors shall elect a substitute formula or index.

(d) From and after January 1 of the year immediately following the first conveyance of Lots by Declarant, the maximum Regular Annual Assessment may be increased above the amount permitted above by vote of sixty percent (60%) of each class of members who are voting in person or by Declarant's authorized officer or agent entitled to cast Declarant's votes at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. Voting by proxy is not allowed. The presence of members or of Declarant's authorized officer or agent entitled to cast sixty per cent

(60%) the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting, such subsequent meeting shall be held more than sixty days following the preceding meeting.

(e) Except as provided by Section 3(d), the Board of Directors shall fix the Regular Annual Assessment at an amount not in excess of the maximum for the said year.

Section 4. Water/Sewer Annual Assessments; Provision for Special Assessments Re Water/Sewer; and Pre-Assessment Water/Sewer Charges. In addition to the Regular Annual Assessments, all Lots in the Subdivision shall be subject to an annual assessment ("Water/Sewer Annual Assessment") for the purposes of (a) operating and maintaining the Subdivision's community water supply and sewerage systems in good working order; and (b) building up a monetary reserve with which to repair or replace said systems, or any component thereof, should the same become necessary. In making such assessments, the Board of Directors of the Association shall be entitled to differentiate between Sections of the Subdivision and between classes of Lots (e.g., between single-family Lots and Lots improved by townhouses), on a reasonable basis, looking to any difference that may exist between classes of Lots with respect to the usage of said community water supply and sewerage systems. The amount of the Water/Sewer Annual Assessment shall be fixed by the Board of Directors of the Association in such amount as will, in its

exclusive judgment, assure to the Association sufficient funds to accomplish the aforesaid purposes. In addition to the Water/Sewer Annual Assessment, the Board of Directors of the Association shall be empowered to levy a special assessment, without regard to any assessment year: (1) for any deficiency, existing or anticipated, between assured revenues ("assured revenues" meaning, for the purposes of this Section, funds on hand plus revenues reasonably expected to be received from the Water/Sewer Annual Assessment) and the cost, or anticipated cost, of providing the funds for the two purposes stated in the first sentence of this Section; and/or (2) to replenish any Letter of Credit drawn against by the Department, pursuant to the provisions of an Agreement between Declarant (referred to as "Owner" in said Agreement) and The Department of Health and Mental Hygiene of the State of Maryland, dated _____, 1984, and recorded as set forth in ARTICLE VII, Section 1, hereof. Pending the levying by the Board of Directors of the Association of the first Water/Sewer Annual Assessment, which shall be levied against each Section of the Subdivision effective the 1st day of

January of the year following the year in which all Lots in a Section have been conveyed to other than a designated successor or additional declarant each Lot shall be subject to a monthly charge, payable to the Association for the benefit of the community water supply and sewerage systems, commencing with the first day of the month following the month in which an Occupancy Permit (as issued by the appropriate authorities of Worcester County, Maryland) for such Lot is issued, as follows:

- | | |
|----------------------|-------------|
| Single-family Lot : | \$10.00 per |
| month. | |
| Townhouse Unit Lot : | \$12.00 per |
| month. | |

If, however, the monthly rates set forth above should prove inadequate, the Board of Directors of the Association shall be authorized to increase, from time to time such rates by such amounts as, in its exclusive judgment, shall be necessary to permit the accomplishment of the purposes set out in the first sentence of this Section.

Section 5. Special Assessments for Capital Improvements on Common Areas. In addition to the annual assessments hereinabove provided for, the Association may levy in any assessment year a special assessment, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of improvements upon the Common Areas, provided that such assessment shall have the assent of sixty percent (60%) of the votes of each class of members who are voting in person or by Declarant's authorized officer or agent entitled to cast Declarant's votes, at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting. Voting by proxy is not allowed.

Section 6. Applicability of Certain Assessments to Declarant. Notwithstanding any prior provision of this Article (Article VI), every Lot in the Subdivision owned by Declarant shall, until the date of its conveyance by Declarant to all other except a designated successor or additional declarant, be subject to the assessments provided for by Section 3 of this Article ("Regular Annual Assessments"); subject, however, to the provision that the rate of such assessment shall be one-half (1/2) of the then prevailing Regular Annual Assessment rate for a Lot, as herein provided; excepting any Lots Owned by Declarant for rental purposes, on which it shall be required to pay the full prevailing Regular Annual Assessment.

Section 7. Uniform Rate of Assessment. Except as provided in Section 4 and Section 6 hereof, annual and

special assessments must be fixed at a uniform rate for all Lots. Annual assessments shall be payable either annually or semi- annually in advance, as determined by the Board of Directors.

Section 8. Date of Commencement of Regular Annual Assessments ad Special Assessments. The Regular Annual Assessments provided for herein shall commence as to all Lots on the first day of the month following the first conveyance of a Common Area to the Association. The first Regular 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 Regular Annual Assessment against each Lot at least thirty (30) days in advance of each-annual assessment period.

The due date of any special assessment authorized under Section 4 or Section 5 shall be fixed in the resolution authorizing such assessment. Written notice of the annual and special assessments shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Nonpayment of Assessments or Charges: Remedies of the Association. Any Assessments or charges which are not paid when due shall be delinquent. If an assessment is not paid within thirty (30) days after due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of his Lot .

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any bonafide mortgage or mortgages. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a power of sale or decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of all such assessments as to payments thereof which became due prior to such sale or transfer. To sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. The term mortgage or mortgages shall include deed of Trust or Deeds of Trust.

Section 11. Exempt Properties. The following properties subject to this declaration shall be exempt from such of the assessments and charges created herein as are indicated below:

- (a) Properties dedicated to and accepted by a local

public authority; exempted from all assessments created herein;

(b) Common Areas: exempted from all assessments created herein.

ARTICLE VII DECLARATION SUBJECT TO EFFECT OF AGREEMENT WITH DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Section 1. As long as the Subdivision is served, in whole or in part, by community water supply and sewerage systems this Declaration, and the property affected hereby, shall be subject to the operation and effect of an Agreement between Declarant and The Department of Health and Mental Hygiene of the State of Maryland dated March 6, 1984, and intended to be recorded among the Land of Records of Worcester County, Maryland, immediately prior to the recording hereof.

Section 2. A copy of said Agreement between Declarant and The Department of Health and Mental Hygiene of the State of Maryland shall be attached to this Declaration prior to the recording hereof among the Land Records of Worcester County, Maryland and the same shall be deemed a part hereof.

Section 3. As long as the Subdivision is served, in whole or in part, by community water supply and sewerage systems, all areas shown on any record plat of the Subdivision, by hash marks. (/////) or other appropriate designation, as reserved for sewage disposal shall remain and be kept available for subsurface sewage disposal. Declarant, for itself and the Association, hereby reserves an easement in and to all such areas for the purpose of installing, operating, maintaining, repairing, replacing and relocating sewage disposal facilities thereon; such easement to terminate, however, upon the availability of and connection to public water and sewerage systems.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 1. Declarant shall run electric service to each Lot, but should the person first acquiring the ownership thereof from Declarant, or such person's heirs, successors, personal representatives and assigns, not build upon such lot within five years from the date of its acquisition from Declarant, the owner of the Lot (the owner at the time said five-year period expires) shall pay to Declarant the sum of Five Hundred Dollars (\$500,00), the same to represent reimbursement to Declarant of the expense of furnishing such electric service.

Section 2. Should any single-family Lot in the Subdivision have its own individual well (there are to be no such lots in Section I of the Subdivision --- all Lots in said Section I are intended to be served by a community water supply system the Owner of such lot shall be responsible for the maintenance of such well, including the replacement thereof, if necessary; and no owner of a Lot having its individual well shall call upon the Association to maintain or replace such well.

Section 3. The Association shall be responsible for the maintenance of the drainage ditch (which drains the roads system of the first Section of the Subdivision) which lies at the extreme westerly end of Declarant's property (said drainage ditch being designated as "Parcel C" on the aforementioned plat entitled ("Plat 1, Section I, ST, MARTIN'S BY THE BAY")), and, also, for the maintenance of the culvert pipes extending from said first Section of the

Subdivision, across to the property designated on the last-mentioned plat as "Area Conveyed to Bruce C. Nelson", to the aforesaid drainage ditch.

Section 4. Declarant, while not obligating itself to do so, reserves the right to offer all Roadways within the Subdivision to the County Commissioners or Worcester County, Maryland, for inclusion into the County road system. **ARTICLE IX ARCHITECTURAL CONTROL**

No Building, dock, boathouse, fence, wall, bulkhead, jetty seawall driveway or any structure of any kind or nature whatsoever shall be commenced, erected or maintained in the Subdivision, nor shall any exterior addition to or change or alteration (including change of color of any exterior part) therein be ??? until the plans, specifications and site plan showing the nature, color, kind, shape, heights, materials, floor plan, color scheme, cost and location of the ??? shall have been submitted to and approved in writing as to the general ??? of such construction with the Subdivision, as to the relative value of ??? improvement in relation to its surroundings, as to the type and kind of materials to be used, and as to harmony of external design and location in relation to the surrounding structures, topography and waterways, by the Board of Directors of the Association, or by any architectural control committee composed of three (3) ??? more representatives appointed by the Board.

The Board of Directors or its architectural control committee shall be permitted to make a reasonable change ??? the review of any such plans, specifications and site plans. In the event said ???, or its designated committee, fails to approve or disapprove such plans and specifications within ninety (90) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed ??? have been fully complied with.

Any approval obtained hereunder, whether by default or otherwise, shall become null and void unless construction is commenced within six (6) months of the date of approval.

The Board of Directors of the Association or its architectural control committee shall have the right to establish such mandatory minimum standards of landscaping and planting of trees and shrubs as it may deem appropriate for any improvements erected within the Subd1vision.

The Board of Directors of the Association or its architectural control committee shall have the right to determine the Location, color, size, design, lettering, and all other particulars of mail or paper delivery boxes, and standards and brackets and the name signs for such boxes in order that the area be strictly uniform in appearance with respect thereto. **ARTICLE X EXTERIOR MAINTENANCE**

In the event an Owner of any Lot in the Subdivision shall fail to maintain the premises and, the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agent and employees, to enter upon said parcel and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon, the cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE XI RESTRICTIONS, EASEMENTS AND

COVENANTS

Section 1. General. The Subdivision shall be subject to all easements and restrictions of record. The Common Areas within the Subdivision shall be subject to such use and restrictions shall be adopted by the association from time to time.

Section 2. Rights Reserved in Declarant. The Subdivision shall be subject to the rights reserved therein by Declarant by this Declaration, as it may from time to time be supplemented, amended and altered.

Section 3. Lots. Effective upon this date of its conveyance by Declarant to all others except a designated successor or additional declarant, each Lot within the Subdivision shall upon said date be subject to the following easements, covenants and restrictions:

(a) The total floors area of any dwelling house erected upon any single-family Lot , exclusive of basement and attached porches and garages, shall be not less than:

(1) As to single-story houses: not less than one thousand three hundred (1,300) square feet;

(2) As to one and one-half story houses: not less than one thousand nine hundred (1,900) square feet;

(3) As to two-story houses: not less than two thousand two hundred (2,200) square feet.

(b) The total floor area of any house built upon a lot laid out for a townhouse, exclusive of basement and attached porches and garages, shall be not less than one thousand two hundred (1,200) square feet.

(c) No dwelling shall be located on any Lot closer to any front lot line than thirty (30) feet, or closer than twenty-five (25) feet to any side lot line abutting on a street in case of a corner Lot. No dwelling shall be located within twenty (20) feet of the shoreline (Mean High Water) or, if no shoreline, within fifty (50) feet of the rear lot line. Entrance stoops, terraces, steps, eaves, cornices, and gutters, as may

be approved by the Association, may be built, erected and maintained on any part of the herein restricted area.

(d) All detached garages and other outbuildings of any kind whatsoever, except boathouses, shall be located not less than twenty (20) feet from the shoreline or, if no shoreline, not less than the required setback designated by the zonal district for rear lot lines.

(e) No mobile home shall be placed, located, or permitted to stand, either temporarily or permanently, on any Lot in the Subdivision, or on any Roadway therein.

(f) No tent, other than children's play tents, shall be permitted in the Subdivision.

(g) No garage or other outbuilding on any Lot shall be used either temporarily or permanently as a residence.

(h) Small trailers, such as boat trailers and campers, may be kept on Lots in the Subdivision, but only if parked within a completely enclosed building or beyond the rear of the main dwelling, and at least thirty (30) feet from the side lot line.

(i) No livestock or poultry shall be permitted in the Subdivision.

(j) No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

(k) No Lot shall be used except for residential purposes. The term "residential purposes" shall include the office of a licensed medical or dental practitioner if said office is incidental to the primary use of the Lot as a residence shall be connected to the community sewage disposal system without the consent of the Worcester County Health Department.

(l) Excepting only "pick-up" trucks, no trucks or commercial type vehicles shall be stored or parked on any Lot except while parked in a closed garage nor parked on

any roadway in the Subdivision except while engaged in transporting to or from a residence in the Subdivision.

(m) In the front yard of any Lot , no fence or wall shall be erected. Walls which are necessary as retaining walls to take care of ground elevations may be erected in the front yard. The term “front yard” shall mean that portion of the yard in the front of the existing front building line for the roadway on which the dwelling will front. In the case of a “corner lot”, the term “front yard” shall include all those portions of the yard in front of the existing front building line for each side of the Lot which abuts adjoining roadways. Fences and walls not to exceed six (6) feet in height may be erected on all other portions of said Lot , subject to the limitation ??? set forth. No fence or wall of any height shall be constructed at any location on any Lot until the height, type, design, and approximate location therefore shall have been approved in writing by the Board of Directors of the Association or architectural control committee. The heights or elevations of any wall shall be ??? from the existing elevations of the property at or along the applicable points. Any questions as to such heights may be completely determined by the Board of Directors of the Association or its architectural control committee. Any wall ??? shall be constructed of brick or stone. Boundary hedges and boundary shrubs shall be permitted in the front and back yards with the height limitations applicable to fencing.

(n) No building 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 public authority charged with the respons