

Contents

1. Articles of Incorporation
2. Declaration of Covenants, Conditions and Restrictions
3. Bylaws
4. Architectural Guidelines
5. Rules & Regulations

CERTIFICATE OF CORPORATE RESOLUTIONS

I, **JEFFREY T. GOSNELL**, hereby certify:

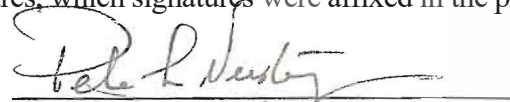
1. Organization And Good Standing. I am the Secretary of **RIDGEVIEW VALLEY MASTER HOMEOWNERS ASSOCIATION, INC. (the "Entity")**, which entity is duly organized and in good standing under the laws of the State of Maryland.

2. Resolutions. I am the duly authorized custodian of certain records of the Entity and attached hereto as **Exhibit A** is a true, correct and complete transcript of the Resolutions duly adopted by the Directors of the Entity at a meeting duly called and held on September 15, 2006 at which meeting a quorum was present and acting throughout. The Resolutions set forth on **Exhibit A** attached hereto, have not been amended, rescinded or modified in any way as of the date hereof.

3. Incumbency Of Members. The individuals listed immediately after this paragraph are: (a) duly elected, qualified and acting Officers of the Entity; (b) authorized in accordance with the Articles of Incorporation and the Bylaws of the Entity to act for or on behalf of the Entity with respect to the transactions contemplated by the Resolutions set forth on **Exhibit A** attached hereto; and (c) duly authorized to execute documents or other agreements on behalf of the Entity contemplated by the Resolutions set forth on **Exhibit A** attached hereto. The signatures set forth after the names of the following Officers of the Entity are their true and genuine signatures, which signatures were affixed in the presence of the undersigned.

Name: Peter L. Versteegen

Title: President



Name: Jeffrey T. Gosnell

Title: Vice President and Secretary

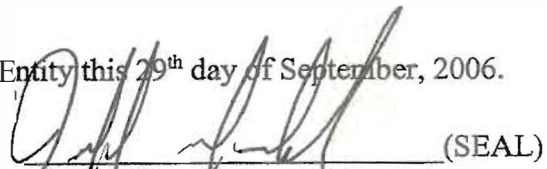


Name: Howard R. Strauss

Title: Vice President and Treasurer



WITNESS my signature under seal of the Entity this 29th day of September, 2006.



(SEAL)
Name: JEFFREY T. GOSNELL
Title: Secretary

HARBOR CITY RESEARCH



Department
of
Assessments and Taxation

Charter Division

C. John Sullhan, Jr.
Dir crnt

Paul B. Anderson
Adminisrmtor

Date: 08/01/2006

HARBOR CITY RESEARCH, INC.
STE 900
201 N CHALU..ES ST
BALTIMORE MD 21201-4102

THIS LETTER IS TO CONFIRM ACCEPTANCE OF THE FOLLOWING FILING:

ENTITY NAME	RIDGEVIEW VALLEY MASTER HOMEOWNERS ASSOCIATION, INC._
DEPARTMENT ID	D11427416
TYPE OF REQUEST	ARTICLES OF INCORPORATION
DATE FILED	08-01-2006
TIME FILED	10:16 AM
RECORDING FEE	\$100.00
O G. & CAP FEE	\$20_00
EXPEDITE!) FEE	\$50.00
POSTAGE FEE	\$5.00
FILING NUMBER	1000361993466220
CUSTOMER ID	0001826456
WORK ORDER NUMBER	0001269494

PLEASE VERIFY THE INFORMATION CONTAINED IN THIS LETTER. NOTIFY THIS DEPARTMENT IN WRITING IF ANY INFORMATION IS INCORRECT. INCLUDE THE CUSTOMER ID AND THE WORK ORDER NUMBER ANY INQUIRIES. EVERY YEAR THIS ENTITY MUST FILE A PERSONAL PROPERTY RETURN IN ORDER TO MAINTAIN ITS EXISTENCE EVEN IF IT DOES NOT OWN PERSONAL PROPERTY. A BLANK RETURN WILL BE MAILED BY FEBRUARY OF THE YEAR FOR WHICH THE RETURN IS DUE.

Charter Division
Baltimore Metro Area (410) 767-1350
Outside Metro Area (BBB) 246-5941

ton Street -Room 801-Baltimore, Maryland 21201-2395 Telephone: (410)767-
49501 Tollfree in Maryland (888)246-5941
MRS (Maryland Relay Service (800)735-2258 IT/Voice • Fax (410)333-7097
Website: www.dm.state.md.us

0004094943

CACCP

ARTICLES OF INCORPORATION
OF
RIDGEVIEW VALLEY
MASTER HOMEOWNERS
ASSOCIATION

**ARTICLES OF INCORPORATION
OF
RIDGEVIEW VALLY MASTER HOMEOWNERS ASSOCIATION, INC.**

In compliance with the requirements of Title 5, Subtitle 2 of the Corporations and Associations Article of the Annotated Code of Maryland (the "Corporation Law") and Title 11B of the Real Property Article of the Annotated Code of Maryland (the "Act"), the undersigned, a resident of Maryland, who is at least eighteen years of age, has this day formed a nonstock corporation, not for profit, and does hereby certify:

ARTICLE I

NAME

The name of the corporation is RIDGEVIEW VALLEY MASTER HOMEOWNERS ASSOCIATION, INC., hereafter called the "Association".

ARTICLE II

OFFICE

The principal office of the Association is located at 912 Gravelly Run Road, P. O. Box 417, McHenry, Garrett County, Maryland 21541.

ARTICLE III

RESIDENT AGENT

H. Gregory Skidmore, Esquire, whose address is 100 S. Liberty Street, Cumberland, Allegany County, Maryland 21502, is hereby appointed the registered agent of the Association.

ARTICLE IV

DEFINITIONS

The terms "Association", "Common Areas", "Declarant", "Development", "Directors", "Lot", "Member", "Open Space", and "Owner" if used in these Articles of Incorporation shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions Relating to RIDGEVIEW VALLEY PLANNED RESIDENTIAL DEVELOPMENT (the "Development") to be recorded among the Land

Records of Garrett County, Maryland (the "Declaration").

ARTICLE V

PURPOSES AND POWERS OF THE ASSOCIATION

The Association shall not operate for pecuniary gain or profit, shall not issue capital stock, and no part of the net earnings of the Association shall inure to the benefit of any Member or individual (except that reasonable compensation may be paid for services rendered). The specific purposes for which the Association is formed are to provide for:

1. the use, improvement, maintenance, preservation, operation, repair and architectural control of the Lots (through the adoption of architectural design guidelines), Common Areas and Open Space located in the Development including any improvements and amenities located thereon;

2. the establishment of rules and regulations relating to the use of the Lots, Common Areas and Open Space including any improvements and amenities located thereon;

3. the distribution among the Owners of Lots or other property in the Development of the costs of the use, improvement, maintenance, preservation, operation, repair and architectural control of the Lots, Common Areas and Open Space including any improvements and amenities located thereon; and

4. the promotion of the health, safety, pleasure, recreation, and welfare of the residents of the Lots or other property within the Development, and any additions and/or subsequent phases as may be brought within the jurisdiction of the Association.

In furtherance of these purposes, the Association, (by action of its Directors unless otherwise noted in these Articles of Incorporation or in the Declaration) shall have full power, as permitted in the Act, to:

- (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration as the same may be amended from time to time as therein provided, the Declaration being incorporated herein by reference as if set forth at length;

(b) fix, levy, collect, and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the affairs of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the Association, subject, however, to the requirements of the Declaration;

(d) borrow money and, with the proper assent as provided in the Declaration, mortgage, pledge, convey by deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property, Common Areas and Open Space, provided that, consolidation or annexation shall be approved as provided in the Declaration; and

(f) have and to exercise any and all powers, rights and privileges which a nonstock corporation organized under the Corporation Law may now or hereafter have or exercise.

ARTICLE VI

MEMBERS

Every Owner of a fee or undivided fee interest in a Lot in the Development shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership interest in any Lot. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of a debt obligation. For so long as Declarant owns any Lot in the Development, Declarant shall be a Member in the Association with the voting rights hereinafter set forth in **ARTICLE VII** hereof.

ARTICLE VII

VOTING RIGHTS

The Association shall have two {2} classes of voting Membership:

- {a) *Class A.* Class A Members shall be all Owners, with the exception of the Declarant {except Declarant shall be a Class A Member upon the occurrence of either contingency in sub-section {b} below), and shall be entitled to one {1} vote for each Lot owned. When more than one (1) person holds a fee or undivided fee interest in any Lot, all such persons shall be Members, except that while the vote for such Lot shall be exercised as such persons determine, in no event shall more than one {1} vote be cast with respect to any such Lot.

- (b) *Class B.* The Class B Members shall be the Declarant, and shall be entitled to five (5) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:
 - {1) when the total votes outstanding in the Class A Membership equals the total outstanding votes in the Class B Membership; or
 - (2) within ten (10) years from the conveyance of the first Lot in the Development to a Class A Member.

Provided, however, the Class B Membership shall be revived (and the Declarant shall again be entitled to five (5) votes for each Lot owned by the Declarant) during any periods of time occurring before the tenth {10th} anniversary of the date of the conveyance of the first Lot in the Development to a Class A Member, when by reason of the annexation of additional land as a part of the Development additional Lots owned by the Declarant exist which, when added to the other Lots then owned by the Declarant, would result in the Declarant having more than fifty percent (50%) of the votes of the Association were the Declarant to have five {5} votes for each Lot owned by the Declarant instead of only a single vote for each Lot owned by the Declarant.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of no less than three (3) nor more than *nine* (9) Directors, who are required to be Members of the Association. The number of Directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
Peter L. Versteegen	144 Lake Pointe Drive McHenry, Maryland 21541
Jeffrey T. Gosnell	18906 Garrett Highway Oakland, Maryland 21550
Howard R. Strauss	820 Windsor Road Cumberland, Maryland 21502

These Directors shall serve until the first annual meeting of the Members at which their successors are elected. In the event of death or resignation of a Charter Director during his or her term of office, the remaining Directors shall elect a successor Director to fill the unexpired term of such Director.

ARTICLE IX

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed as provided in the Declaration. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that acceptance of such a dedication is refused, the assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

ARTICLE X

TERM OF EXISTENCE

The Association shall exist perpetually, subject, however, to dissolution as provided in Article IX above.

ARTICLE XI

AMENDMENT

Amendment of these Articles shall require the assent of the holders of two-thirds (2/3) of the votes of the Members of each class of voting Member identified in Article VII present in person or by proxy at the meeting at which the vote is taken. Anything set forth above in this Article XI to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power, and authority to modify, revise, amend, or change any of the terms or provisions of these Articles of Incorporation all as from time to time amended or supplemented. However, this unilateral right, power, and authority of the Declarant may be exercised if and only if the Veterans Administration (VA), the Federal Housing Administration (FHA), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), or the Government National Mortgage Association (Ginnie Mae) or any successor agencies or entities thereto or any agencies or entities providing similar programs shall require such action as a condition precedent to the approval by such agency or entity of the Development or any part thereof or any Lots thereon for approved mortgage financing purposes under applicable VA, FHA, Freddie Mac, Fannie Mae, Ginnie Mae, or similar programs.

ARTICLE XII

LIMITATION OF LIABILITY OF DIRECTORS

To the maximum extent that Maryland law in effect from time to time, including, but not limited to, Section 2-405.2 of the Corporation Law and Section 5-349 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland, permits limitation of the liability of Directors, no Director of the Association shall be liable to the Association or its Members for money damages. Neither the amendment nor repeal of this Article, nor the adoption or amendment of any other provision of the Articles of Incorporation or Bylaws inconsistent with this

Article, nor the adoption or amendment of any other provision of the Articles of Incorporation or Bylaws inconsistent with this Article,' shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

ARTICLE XIII

INDEMNIFICATION

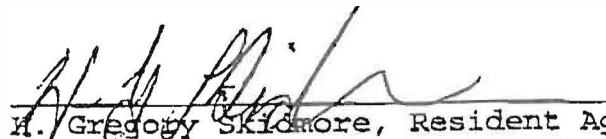
1. As used in this **ARTICLE XIII**, any word or words that are defined in Section 2-418 of the Corporation Law (the "Indemnification Section"), as amended from time to time, shall have the same meaning as provided therein.

2. The Association shall indemnify a present or former Director or officer of the Association in connection with a proceeding to the fullest extent permitted by and in accordance with the Indemnification Section.

3. With respect to any Association employee, agent or representative, other than a Director or officer of the Association, the Association may, as determined by the Board of Directors of the Association, indemnify and advance expenses to such employee, agent or representative in connection with a proceeding to the extent permitted by and in accordance with the Indemnification Section.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Maryland, the undersigned, H. Gregory Skidmore, whose post office address is 100 S. Liberty Street, Cumberland, Maryland 21502 being at least eighteen years of age, has executed these Articles of Incorporation this 31st day of July, 2006, for the purpose of incorporating this Association.

RIDGEVIEW VALLEY MAS'IER
HOMEOWNERS ASSOCIATION, INC.


H. Gregory Skidmore, Resident Agent

IMP FD SURCHG	20.00
RECORDING FEE	75.00
TOTAL	95.00
Rec# CAB1	Ref# 87465
OWN 1485	BLK # 923
Sep 15, 2006	82:01 PM

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
RIDGEVIEW VALLEY PLANNED
RESIDENTIAL DEVELOPMENT**

TABLE OF CONTENTS

	<u>PAGE</u>
Article I. DEFINITIONS	
(a) Act	2
(b) Articles	2
(c) Assessments	2
(d) Association	2
(e) Board of Directors	2
(f) Builder/Owner	2
(g) Bylaws	2
(h) Class A Members/Class 8 Members	2
(i) Common Area/Open Space	3
(j) Common Expenses	- 3
(k) Community-Wide Standard	3
(l) Declarant/ Developer	3
(m) Depository	3
(n) Development Plan	3
(o) Eligible Mortgage Holder	4
(p) Lawn and Garden Areas	4
(q) Lien Act	4
(r) Lot	4
(s) Member	4
(t) Mortgagee	4
(u) Ordinance	5
(v) Owner	5
(w) Parcel or Phase	5
(x) Parcel Assessments	5
(y) Plat	6
(z) Project	6
(aa) Property	6
(bb) Type I Lots	6
(cc) Type II Lots	6
(dd) Type III Lots	6
(ee) Unit	6
Article II. PROPERTY SUBJECT TO DECLARATION	
Section 2.0i Initial Property Subject to the Declaration	6
Section 2.02 Additions	7
Section 2.03 Reliance On Plat	7
Article III. PROPERTY RIGHTS	

Section 3.01	Owner's Easements of Enjoyment	8
Section 3.02	Limitations	9
Section 3.03	Delegation of Use	9
Section 3.04	Construction and Sale Period	10
Section 3.05	Conveyance of Common Area	10
Section 3.06	Reserved Rights of Declarant	10

Article IV. MEMBERSHIP AND VOTING RIGHTS

Section 4.01	Membership	10
Section 4.02	Voting Rights	10

Article V. COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.01	Creation of Lien and Personal Obligation Of Assessments	11
Section 5.02	Purpose of Assessments	11
Section 5.03	Initial Annual Assessment	12
Section 5.04	Special Assessments	13
Section 5.05	Notice and Quorum for any Action Authorized Under Section 5.04	13
Section 5.06	Variable Rate of Assessment	14,
Section 5.07	Date of Commencement of Annual Assessments	14
Section 5.08	Effect of Non-Payment of Assessments: Remedies of the Association	14
Section 5.09	Subordination of the Lien to Mortgages	15
Section 5.10	Additional Default	15
Section 5.11	Reserve Fund Budget and Contribution	15
Section 5.12	Credits for Lots Providing Utilities to Common Areas	16

Article VI. ARCHITECTURAL CONTROL

Section 6.01	Architectural Change Approval	17
Section 6.02	Architectural Committee Architectural Design Guidelines; Appeal of Architectural Committee Decision	17

Article VII. USE RESTRICTIONS

Section 7.01	Permitted Uses	18
Section 7.02	Prohibited Uses and Nuisances	18
Section 7.03	Leasing; and Transfers	19
Section 7.04	Parking ¹	20
Section 7.05	House, Rules, Etc.	20
Section 7.06	Exemptions	21
Section 7.07	Declaration of Easements and Rights	21

Article VIII. MAINTENANCE

Section 8.01	Owners' Rights and Responsibilities	25
Section 8.02	Association Maintenance	26

Article IX. INSURANCE

Section 9.01	Individual Coverage	27
Section 9.02	Required Coverage	28
Section 9.03	Repair and Reconstruction of Common Areas After Fire or Other Casualty	30

Article X. PARTY WALLS, PARTY FENCES AND PARTY DRIVEWAYS

Section 10.01	General Rules of Law to Apply	32
Section 10.02	Sharing of Repair and Maintenance and Destruction by fire or Other Casualty	32
Section 10.03	Repairs of Damage Caused by One Owner	32
Section 10.04	Weatherproofing	32
Section 10.05	Encroachments	32
Section 10.06	Other Changes	33
Section 10.07	Right to Contribution Runs with Land	33
Section 10.08	Dispute	33

Article XI. MANAGEMENT

Section 11.01	Management Agent	33
Section 11.02	Duration of Management Agreement	34

Article XII. GENERAL PROVISIONS

Section 12.01	Common Area Responsibility	34
---------------	--------------------------------------	----

LIBER 1 250 PAGE 0115

Section 12.02	Personal Property and Real Property for Common Use	34
Section 12.03	Implied Rights	34
Section 12.04	Limitation of Liability	35
Section 12.05	Enforcement	35
Section 12.06	Fines	36
Section 12.07	Severability	37
Section 12.08	Duration and Amendment	37
Section 12.09	Annexation	37
Section 12.10	FHA-VA Approvals	38
Section 12.11	Consents	38
Section 12.12	Additional Rights of Mortgagees - Notice	40
Section 12.13	Casualty Losses	41
Section 12.14	Changes Required by Lenders	41
Section 12.15	Taxes and Assessments	41
Section 12.16	Successors of Declarant	42
Section 12.17	No Dedication to Public Use	42
Section 12.18	Incorporation by Reference on Resale	42
Section 12.19	Declarant Reserved Rights	42
Section 12.20	Captions	42

RIDGEVIEW VALLEY PLANNED RESIDENTIAL DEVELOPMENT
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION dated 15 September 2006, by

RIDGEVIEW VALLEY, LLC, a Maryland limited liability company, hereinafter referred to as the "Declarant".

RECITALS:

R.1 By Deed dated November 9, 2004, which Deed is recorded in Liber 1078, Folio 466 of the Garrett County, Maryland Land Records (the "Land Records"), the Declarant acquired certain real property from Hugh D. Umbel ("Parcel One").

R.2 By Deed dated May 13, 2005, which Deed is recorded in Liber 1124, Folio 322 of the Land Records, the Declarant acquired certain additional real property from Gail Altenburger and Kevin McLaughlin, Co-Personal Representatives for William C. McLaughlin ("Parcel Two").

R.3 The total real property acquired by the Declarant in Parcel One and Parcel Two consists of 308.58 acres, more or less.

R.4 The Owner desires to develop certain portions of Parcel One and Parcel Two as a planned residential development ("PRD"), as that term is defined in '201 44 of the Deep Creek Watershed Zoning Ordinance for Garrett County, Maryland (the "ordinance"), which portions are shown on the ATentative Development Plan of the Ridgeview Valley Planned Residential Development", and such additional land as may be subjected to this Declaration under the provisions of **Article** II below (the "Property").

R.5 The Declarant desires to subject the portion of the Property shown on the plat of the first phase of the Development that has been recorded in Plat Case **DKM3**, File 273 A-d of the Garrett County Land Records ("Land Records") and subsequent plats of the Property that are recorded in the Land Records (collectively, the "Plat"), and the lots located therein (the "Lots"), to the Covenants, Conditions and Restrictions set forth below which are for the purposes of (i) protecting the value and desirability of the Property and the Lots and (ii) distributing among the Lot Owners the cost of maintaining and .operating the Common Areas located within the Property, and any improvements constructed thereon.

WITNESSETH

NOW, THEREFORE, Declarant hereby declares that the portion of the Property shown on the Plat shall be held, sold and conveyed subject to the Covenants, Conditions and Restrictions set forth below, which shall run with the real property and be binding on all parties having any right, title or interest in the Property, or any part thereof, their heirs, successors and assigns, as the case may be, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

(a) "Act" means the Maryland Homeowners Association Act set forth in Title 11B of the Real Property Article of the Annotated Code of Maryland.

(b) "Articles" mean the Articles of Incorporation for the Ridgeview Valley Master Homeowners Association, Inc. that have been filed with the Maryland State Department of Assessments and Taxation ("MSDAT").

(c) "Assessments" means the annual and special assessments addressed in **Article V** of this Declaration.

(d) "Association" means the Ridgeview Valley Master Homeowners Association, Inc., a Maryland corporation.

(e) "Board" or "Board of Directors" means the elected board of directors of the Association referenced in the Articles.

(f) "Builder /owner" means the purchaser of a Lot from the Declarant who does not intend to occupy or rent the Lot for residential purposes so that the initial sale of the Lot is permitted to be effected in accordance with '11B-107 of the Act.

(g) "Bylaws" mean the Bylaws of the Ridgeview Valley Master Homeowners Association, Inc.

(h) "Class A Members" and "Class B Members" are defined in the Articles of Incorporation ("Articles") and Bylaws ("Bylaws") of the Corporation and in **Section 4.02** hereof.

(i) "Common Area (s)" means those areas of land, designated on the Plat of the Property as "Drainage and Utility Easement", "Sewer Easement", "Drainage and Sewer Easement", "Open Space", "Parking", "Recreation Area" (e.g. hiking and biking paths and nature trails), or "Road", or "Walkway", or otherwise designated as an easement area, or on, over, under, or in any portion of any Common Area, pipes, drains, mains, conduits, lines, and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television lines, and other public utilities or quasi-public utilities deemed necessary or advisable to provide adequate service to any Lot now or hereafter laid out or established on the Property, or the area in which the same is located, together with the right and privilege of entering upon the Common Area for such purposes and making openings and excavations therein, which Common Area is intended to be **owned** by the Association and devoted to the common use and enjoyment of the Owners of the Lots.

(j) "Common Expenses" shall mean and refer to the actual and estimated expenses of operating the Association and maintaining the Common Area, including a reasonable reserve, all as may be found to be necessary or appropriate by the Board pursuant to this Declaration, the Bylaws and the Articles of the Association.

(k) "Community-Wide Standard" shall mean the standard of conduct, maintenance or other activity generally prevailing in the Development. Such standard may be more specifically determined and set forth by the Architectural Review Committee (as such term is defined in Article 6.01) or similar Committee established for such purposes by the Board.

(l) "Declarant" means Ridgeview Valley, LLC and any successor or assign thereof to whom Ridgeview Valley, LLC shall convey or otherwise transfer all of the rights, title and interest in the Property then owned by it, and to whom Ridgeview Valley, LLC shall expressly transfer, and assign all of its rights, title and interest under this Declaration, or any amendment or modification thereof.

(m) "Depository" has the meaning set forth in Section 11D-101(e) of the Act.

(n) "Development Plan" shall mean the Tentative Development Plan for the Development prepared by Lewis-Scully-Gionet, Inc., Landscape Architects, as approved by appropriate governmental agencies which shall represent the total general scheme and general uses of Property in the Development as such,

LIBER 1250 PAGE 0119

which may be amended from time to time subject to at least thirty (30) days ,notice to the Association and any required approval of the governmental agencies involved. A copy of the Development Plan has been filed by the Declarant in the Depository .

(o) "Eligible Mortgage Holder" shall mean a holder of a first mortgage on a Lot who has requested notice from the Association of amendments to the Association documents or other significant matters which would affect the interests of the mortgagee.

(p) "Lawn and Garden Areas" shall mean and refer to those portions of the Type II Lots and Type III Lots, which are appurtenant to the dwelling units located upon such Type II lots and Type III Lots, upon which grasses, shrubs, trees, flowers or plant material have been or are naturally intended to be planted, provided, however, any area which is fenced or walled-in or which otherwise is not easily accessible by the Association shall not be deemed a Lawn and Garden Area.

(q) "Lien Act" means the Maryland Contract Lien Act set forth in Subtitle 2 of Title 14 of the Real Property Article of the Annotated Code of Maryland.

(r) "Lot" shall mean and refer to any plot of land shown upon the Plat of the Property upon which it is intended that a dwelling unit be constructed, including, but not limited to, Type I Lots, Type II Lots and Type III Lots, as such terms are hereinafter defined. In addition, "Lot" shall include within its meaning any designated portion of the Property on which an apartment building is developed.

(s) "Member" shall mean and refer to every person, group of persons, corporation, trust, or other legal entity, or any combination thereof, who holds any class of membership in the Association.

(t) "Mortgagee" shall mean the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage", as used herein, shall include deed of trust. "First Mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan

associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, the Veterans Administration ("VA"), the Federal Housing Administration ("FHA"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal National Mortgage Association ("Fannie Mae"), the Government National Mortgage Association ("Ginnie Mae") or any successor agencies or entities thereto or any agencies or entities providing similar programs, all corporations and any agency or department of the United States Government or of any state or municipal government, or any other organization or entity which has a security interest in any Lot.

(u) "Ordinance" has the meaning set forth in **Recital R.4** above.

(v) "Owner" means the person, or legal entity, or the combination thereof, including contract sellers, holding the record fee simple or undivided fee interest in a Lot in the Property, as the Lot **is now** or may from time to time hereafter be created or established. If more than one person, or other legal entity or any combination thereof, holds the record title to any Lot, all of them shall be deemed a single record owner and shall be a single Member of the Association by virtue of their ownership of the Lot. The term "Owner" shall include any contract seller but not any contract purchaser, nor shall it include any mortgagee or other person or legal entity holding an interest in a Lot as security for the performance of a debt obligation.

(w) "Parcel" or "Phase" shall mean and refer to separately designated residential areas comprised of various types of housing, initially or by Supplementary Declaration, made subject to this Declaration.

(x) "Parcel Assessments" shall mean assessments for those portions of the Common Expenses, if any, which are incurred in connection with the promotion of the recreation, health, safety, welfare, common benefit and enjoyment of the Owners of the Lots against which the specific Parcel Assessment is levied and for maintaining the properties within a given Parcel/Phase, all as may be specifically authorized from time to time by the Board and as more particularly authorized below. Parcel Assessments shall be levied equally against all Owners of Lots in a Parcel/Phase for such purposes that are authorized by this Declaration by the Board from time to time, provided that in the event of assessments for exterior maintenance on dwellings, or insurance on dwellings, or replacement reserves which pertain to particular dwellings or any similar assessments which benefit one or more but less than all of the Lots within a Parcel/Phase, such Assessments (that are for the

use and benefit of particular Lots) shall be levied upon a pro-rata basis among the benefitted Owners.

(y) "Plat" has the meaning set forth in **Recital R.5** above.

(z) "Project" and the "Development" as used in this Declaration means that certain community being developed by the Declarant (or affiliates, successors and assigns of the Declarant) in Garrett County, Maryland, known as "RIDGEVIEW VALLEY PLANNED RESIDENTIAL DEVELOPMENT" or "RIDGEVIEW VALLEY".

(aa) "Property" means all of the land shown on the Plan and such additional land as may be subjected to this Declaration under the provisions of Article II below.

(bb) "Type I Lots" shall mean and refer to those Lots upon which there is constructed a single family detached dwelling.

(cc) "Type II Lots" shall mean and refer to those Lots upon which there is constructed duplexes or similar attached dwellings that may contain garages or other on-Lot structures or facilities (including, but not limited to driveways and carports) intended for the parking of automobiles or other motor vehicles.

(dd) "Type III Lots" shall mean and refer to those Lots upon which there is constructed a townhouse or similar attached dwellings without any structure or facilities intended for the parking of automobiles or other motor vehicles (except for the possibility of garages for end units).

(ee) "Unit" or "Dwelling Unit" shall mean and refer to any portion of any building or any individual building situated on the Property other than Common Area, designed and intended for independent residential use and occupancy for which an initial use and occupancy permit has been issued. This term is further addressed in **Section 7.01** hereof.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01. Initial Property Subject to the Declaration. The real property which is, and shall be held, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in Garrett County, State of Maryland, and is more particularly shown on the Plat filed by the

Declarant in the Land Records.

Section 2.02. Additions. At all times, Declarant shall have the right to record one or more additional Plats so as to make any portion of Parcel One and/or Parcel Two referenced in **Recital R.1** and **R.2** above part of the Development and, therefore, subject to this Declaration without the necessity of recording any Supplementary Declaration. So long as there are Class B members, as referenced in the Articles of the Association, additional property may be annexed to the above-referenced Property without the consent of the Class A members, as referenced in the Articles of the Association, if any.

Any annexations made pursuant to this Article, or otherwise, shall be made by recording a Supplementary Declaration of Covenants, Conditions and Restrictions among the Land Records for Garrett County, Maryland, which Supplementary Declaration shall extend the scheme of the within Declaration of Covenants, Conditions and Restrictions to any such annexed property.

Any Supplementary Declaration of Covenants, Conditions and Restrictions made pursuant to the provisions of this Article may contain such complementary or supplemental additions and modifications to the covenants and restrictions set forth in the within Declaration as may be considered necessary by the maker of such Supplementary Declaration of Covenants, Conditions and Restrictions to reflect the different character or use, if any, of the annexed property.

Every Owner of a Lot in property to be annexed as provided herein shall have an easement of enjoyment in and to the Common Area, and such other rights of use as provided in **Section 3.01** herein.

Section 2.03. Reliance on Development Plan. The Declarant hereby discloses that while the Development Plan sets forth and designates the Property by specific references to the planned development of Lots and Common Area that the Declarant intends to develop the Property in Phases and, therefore, subject additional portions of the Property to this Declaration by recording in the future additional Plats of such portions of the Property., In this regard, the Declarant reserves the right to modify/amend the specific designations of Lots/Common Area shown on the Development Plan, prior to subjecting any additional portions of the Property subject to this Declaration by filing a Plat of any such portion in the Land Records, so as to address and stay current with the evolution of the Development over time, provided that such

modification/amendment of the Development Plan shall not be effected in a manner so as to deviate or detract from the Community-Wide Standard established by the Declarant for the Development. Further, any such modification/amendment of the Development Plan with respect to any portion of the Property that is made subject to this Declaration shall be effected only in a manner that complies with the Ordinance and be subject to the approval of the governmental authorities enforcing compliance with the Ordinance.

ARTICLE III

PROPERTY RIGHTS

Section 3.01. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area shown on the Plat, including an easement for the use and enjoyment of the streets and parking lots and walkways within 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 and uniform 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 any recreational facilities **by** an Owner for any period during which any assessment against his/her Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to limit the number of guests of owners;

(d) the right of the Association to establish uniform rules and regulations pertaining to the use of the Common Area and the facilities thereon;

(e) the right of the Association to provide for the exclusive use by Owners of certain designated parking spaces within the Common Areas;

(f) the right of the Association, the Declarant, utility companies and other Owners with respect to the easements established in **Section 7.07** hereof;

(g) the right of the Association, in accordance with its

Articles and Bylaws, and with the consent of a majority of each class of the then Members of the Association, voting separately, to

borrow money for the purpose of improving the Common Area and community facilities in a manner designed to promote the enjoyment and welfare of the Members and in aid thereof to mortgage any of the Common Area and community facilities;

(h) the right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosures; provided, however, that the same are in conformity with the other provisions of this Declaration;

(i) the right of the Association, acting by and through its Board and as may be permitted by the Ordinance, to grant easements, licenses or other rights of use to persons or entities who are not Members of the Association in connection with the recreational facilities installed as a part of the Common Area for such consideration and on such terms and conditions as the Board may from time to time consider appropriate.

Section 3.02. Limitations.

(a) Any other provision of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend the right of any Member of the Association to use any streets and roadways located upon the Common Area (including, without limitation, any streets and roadways located within the Property) for both vehicular and pedestrian ingress and egress to and from his/her Lot and for parking;

(b) Any other provision of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend the right of any Member of the Association to use the common Area for necessary, ordinary and reasonable pedestrian ingress and egress to and from his/her Lot or to suspend any easement over the Common Area for storm water drainage, electrical energy, water, sanitary sewer, natural gas, CATV or similar service, telephone service or similar utilities and services to the Lots.

Section 3.03. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws and rules and regulations of the Association, his/her right of enjoyment to the Common Area and facilities to the members of his/her family, his/her tenants, social invitees, or contract purchasers who reside on the Property.

Section 3.04. Construction and Sale Period. Notwithstanding any provisions contained in this Declaration to the Contrary, it shall be expressly permissible for Declarant and all Builder/Owners to maintain and carry on upon such portion of the Property as the Declarant may deem necessary, including, but not limited to, the Common Area, such facilities and activities as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to construction or sale, including, without limitation, business offices, signs, model homes, and sales offices, so long as construction on or original offering for sale of all or any portions of the Property or additional property, continues. The right to maintain and carry on such facilities and activities shall include specifically the right to use Lots owned by Declarant or Builder/owners as models and sales offices and to authorize sales and construction personnel to travel upon and enter the Common Area. Furthermore, Declarant reserves the right, during installation of concrete paving or streets, as shown on any Plat, to enter onto any Lot or Lots for the purpose of disposing of street excavation, including the removal of any trees, if necessary, whether or not the Lot or Lots have been conveyed to and/or contracted for or by any other Owner or Owners.

Section 3.05. Conveyance of Common Area. The Association covenants to accept title to all or portions of the Common Area when offered by the Declarant.

Section 3.06. Reserved Rights of Declarant. Declarant hereby reserves to its Members, Peter L. Versteegen, Rosemary J. Versteegen, Jeffrey T. Gosnell, Sherry L. Gosnell, Howard R. Strauss, Lisa L. Strauss, and Debra Savage, for the lifetime of each of them, the right to use the amenities located in the Common Area(s) without payment of dues or fees.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 4.01. Membership. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section .02. Voting Rights. The Association shall have two (2) classes of voting membership as provided in the Articles.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.01. Creation of the Lien and Personal Obligation of Assessments. There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board to be commenced at the time and in the manner set forth in this **Article V.** 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. The annual and special assessments, together with interest, late fees, costs and reasonable attorneys' fees, shall be a charge on the Lot (including all improvements thereon), and shall be a continuing lien upon the property against which each such assessment is made, provided the requirements of the Lien Act have been fulfilled. Each such assessment, together with interest, late fees, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his or her successors in title unless expressly assumed by such successors.

Section 5.02. Purpose of Assessments.

(a) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property and for the improvement and maintenance of the Common Area, the payment of real estate taxes, assessments and utility services for the Common Area, and management fees, administration expenses, insurance and all other costs and expenses incurred by the Association in the proper conduct of its activities, including, without limitation, reserves for replacements or contingencies, charges accruing with respect to off-site facilities required to be maintained by the Association or which the Association elects to maintain whether such facilities are located within the Property or not. In addition, a portion of the assessments levied against Type II Lots and Type III Lots shall be used to maintain the Lawn and Garden Areas and other areas which serve and benefit the Type II Lots and/or the Type III Lots. Owners of Type I Lots shall not be required to pay any assessments for expenses which benefit the Type II Lots and/or the Type III Lots, exclusively.

(b) Notwithstanding anything contained in this Declaration, the Articles or the Bylaws to the contrary, the Association shall be responsible for maintaining roads, any and all storm water management facilities, including, without limitation,

ponds, basins and drainage areas, whether such facilities are located within the Property or not, which are designed to benefit or serve any portion of the Property and are required to be maintained by the Association.

Section 5.03. Initial Annual Assessment. The initial annual assessment for Type I Lots shall be set forth in the budget materials placed by the Declarant in the Depository and/or provided by the Declarant pursuant to the Act prior to the sale of Lots; provided, however, that there shall not at any time be any annual assessment (including special assessments) for Lots (if any) owned by the Declarant. Notwithstanding the foregoing, the Declarant shall pay the full maximum annual and special assessments for Lots owned by Declarant upon which a dwelling unit has been completed and is occupied by a party other than the Declarant. Notwithstanding any provision contained in this Declaration to the contrary, Declarant hereby covenants and agrees for the benefit of each Class A Member to pay any and all expenses incurred by the Association during the Deficit Period (as such term is hereinafter defined) in furtherance of its purposes to the extent that the annual and special assessments levied during the Deficit Period are insufficient to pay such expenses; provided, however, that at such time as the Declarant has paid what would equal one hundred percent (100%) of the assessments for its Lots, had it not been exempted from the payment of assessments, then the Declarant shall only be obligated to pay any further assessments during that annual period in an amount equal to what would be due for such Lots had they been owned by a Class A Member. As used herein, the term "Deficit Period" shall mean that period of time commencing on the date of recordation of this Declaration and ending on the earlier of (i) the date on which the Class B Membership lapses and becomes a nullity in accordance with the provisions of this Declaration; or (ii) the date upon which the Declarant, in writing and recorded among the Land Records of Garrett County, Maryland, declares that it (from the date specified in such recorded writing) waives its right to not pay any assessments on Lots owned by the Declarant in accordance with this **Section 5.03**. The Declarant may make such Declaration with respect to less than all of the Lots owned, to be owned or to be brought within the jurisdiction of the Association in which event the Deficit Period shall terminate only with respect to those Lots specifically described.

It shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the Membership, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget shall

include an amount sufficient to establish and maintain a reserve fund in accordance with a reserve fund budget separately prepared by the Board pursuant to **Section 5.11**. The Board shall cause a copy of the budget, and the amount of the assessments to be levied against each Lot, for the following year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget and the assessments shall become effective unless disapproved at the meeting by a vote of at least a majority of both classes of the total Association Membership.

Notwithstanding the foregoing, however, in the event the Membership disapproves the proposed budget or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

The Declarant may establish a working capital fund for the initial operation of the Association. Such working capital fund may be funded by a one-time assessment of two (2) times the monthly assessment for a Lot and shall be payable, if established, by the Declarant's grantee upon the earlier of settlement or occupancy of a completed dwelling unit located on any Lot.

Section 5.04. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment or special assessments applicable to that year for such purposes as the Board may deem appropriate, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. The Association may also levy a special assessment against any Owner to reimburse the Association for costs incurred in bringing any Owner and his/her Lot into compliance with the provisions of the Declaration, any Supplementary Declaration, the Articles, the Bylaws and the rules and regulations of the Association. Such a special assessment may be levied upon the vote of the Board after notice to the Owner and an opportunity for a hearing before the Board.

Section 5.05. Notice and Quorum for any Action Authorized Under Section 5.04. Written notice of any meeting called for the purpose of establishing a special assessment in accordance with **Section 5.04** shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast twenty five percent (25%) 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 sixty (60) days following the preceding meeting.

Section 5.06. Variable Rate of Assessment. The Board may, from time to time, establish by resolution non-uniform rates of assessments for Lots within the Property. Such rates shall be based on actual costs incurred by the Association relating to the operation and maintenance of the Property. The imposition of non-uniform rates of assessment shall rest solely at the discretion of the Board.

Section 5.07. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the date determined by the Board. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board 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. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer for the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association with the status of assessments on the Lots shall be binding on the Association as of the date of its issuance.

Section 5.08. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid at a rate equal to one and one-half percent (1 1/2%) per month (or such lesser sum as VA and/or FHA may specify if any Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is guaranteed by VA or insured by FHA). Additionally, the entire balance of the unpaid annual assessments for the remainder of the fiscal year shall also become due, payable and collectible in the same manner as the delinquent portion of such annual assessment. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Lot (and all improvements thereon) provided the provisions of the Lien Act are substantially fulfilled. 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/her Lot. The Owner shall also be obligated to pay all attorneys' fees and court costs incurred in connection with the collection of assessments if not paid when due. In addition, the Owner shall be subject to paying a late fee as determined by the Board in accordance with the By-Laws.

Section 5.09. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first 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 mortgage or deed of trust foreclosure or any proceeding in lieu thereof, 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. No amendment to this Section shall affect the rights of the holder of any first mortgage on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

Section 5.10. Additional Default. Any recorded first mortgage secured on a Lot shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to this Declaration, or any installment thereof, shall likewise be a default in such mortgage (or the indebtedness secured thereby); but failure to include such a provision in any such mortgage shall not affect the validity or priority thereof and the protection extended to the holder of such mortgage (or the indebtedness secured thereby) by reason of this **Section 5.10** shall not be altered, modified or diminished by reason of such failure.

Section 5.11. Reserve Fund Budget and Contribution. The Board shall annually prepare a reserve fund budget which shall take into account the number and nature or replaceable assets of the Association, the expected life of each asset, and the expected repair or replacement cost of each asset. The Board shall set the required reserve fund contribution, if any, in an amount sufficient to meet the projected reserve needs of the Association, as shown on the reserve fund budget, with respect both to amount and timing by the imposition of annual assessments over the period of the budget. The reserve fund contribution shall be fixed by the Board and included within the budget and assessment, as provided in **Section 5.03**. Such reserve fund contribution shall be payable as part of the (i) general assessment, applicable to all Lots, to the extent such reserve fund will be utilized to replace assets which are

LIBER 250 PAGE 0131

determined by the Board of Directors to benefit substantially all Owners, (ii) Type II Lot Assessment, to the extent such reserve fund will be utilized to replace assets which are determined by the Board to primarily benefit Owners of Type II Lots and (iii) Type III Lot Assessment, to the extent such reserve fund will be used to replace assets which are determined by the Board to primarily benefit Owners of Type III Lots. A copy of the reserve fund budget shall be distributed to each Owner in the same manner as the operating budget for the Association.

Section 5.12. Credits for Lots Providing Utilities to Common Areas. Without limiting the generality of the other provisions of this Declaration which provide for other than fixed and uniform assessments the Declarant may, at its election, make a utility connection to any dwelling unit located on a Lot to serve all or a portion of the Common Areas, provided, however, that:

(i) the average monthly consumption charge for all facilities within the Common Areas that are connected to the utility meter for any Lot shall be determined by the Board; and

(ii) the Declarant shall, in cooperation with appropriate utility companies and/ or engineering advisors, establish a monthly credit against the assessment for the Lot to which such utility is connected, which credit shall equal one hundred ten percent (110%) of the reasonable estimate of utility consumption charges for the Common Area that are connected to such Lot; and

(iii) the Owner of the Lot to which such connection is made shall, in a timely manner, pay all utility fees and charges accruing with respect to his/her Lot so as to prevent the interruption of service to those facilities within the Common Areas which are served by such owner's utility connection.

Any Owner upon whose Lot such connection is made shall be entitled, from time to time, and upon good cause, to request that the Association re-establish and/or re-evaluate the usage charge estimated pursuant to the provisions of subparagraph (ii) hereof. Any dispute as to such amount shall be settled in accordance with arbitration procedures established by the American Arbitration Association.

ARTICLE VI

ARCHITECTURAL CONTROL

LIBER 1250 PAGE 0132,

Section 6.01. Architectural Change Approval. No building, fence, wall, mailbox or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made (including, but not limited to, changes in color, changes or additions to driveway or walkway surfaces and landscaping modifications) until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relating to surrounding structures and topography and conformity with the design concept for the Property by the Board, or by an architectural committee or similar committee composed of three (3) or more representatives appointed by the Board ("Architectural Review Committee"). The decisions of the Board or the designated committee shall be made in accordance with those Architectural Design Guidelines filed by the Association in the Depository. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within sixty (60) 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. Design approval by the Architectural Review Committee or by the Board shall in no way be construed as to pass judgment on the correctness of the location, structural design, suitability of water flow or drainage, location of utilities, or other qualities of the item being reviewed. The Board or the Architectural Review Committee shall have the right to charge a reasonable fee for reviewing each application. Any construction, exterior addition to or change or alteration made without application having first been made and approval obtained as provided above shall be deemed to be in violation of this covenant and the construction, addition, change or alteration may be required to be restored to the original condition at the Owner's cost and expense. In any event, no such construction, exterior addition to or change or alteration shall be made without approvals and permits therefor having first been obtained by the Owner from the applicable public authorities or agencies. Notwithstanding any provision of this Declaration to the contrary, the provisions of this **Article VI** shall not be applicable to the Declarant or any part of the Property owned by the Declarant.

Section 6.02. Board/Architectural Review Committee; Architectural Design Guidelines; Appeal of Board/ Architectural Review Committee Decision. The Board/Architectural Review Committee may from time to time adopt and promulgate such Architectural Design Guidelines regarding the form and content of plans and specifications to be submitted or approval and may publish such statements of policy, standards, guidelines and/or establish such

criteria relative to architectural styles of details, or other matters, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provisions or requirement of this Declaration. The decisions of the Board/Architectural Review Committee shall be final except that any Member who is aggrieved by any action or forbearance from action by the Board/Architectural Review Committee may appeal the decision of the Board/Architectural Review Committee to the Board and, upon the request of such Member, shall be entitled to a hearing before the Board. Two thirds (2/3) of the Board shall be required to reverse any decision of the Architectural Review Committee.

ARTICLE VII

USE RESTRICTIONS

In addition to all other covenants contained herein, the use of the Property and each Lot therein is subject to the following:

Section 7. 01. Permitted Uses. The Lots shall be used for residential purposes exclusively, and no building shall be erected, altered, placed or permitted to remain on any such Lot other than one used as a single-family dwelling, except that a no-impact home-based business, as that term is defined in the Act, may be maintained in a dwelling. The terms "dwelling" or "dwelling unit", as used in this Declaration, shall include an apartment unit, townhouse, duplex, condominium unit, or detached dwelling or any other dwelling. The sale of fractionalized ownership interests in any such dwelling/dwelling unit shall be permitted, provided any such sale is effected in compliance with Maryland law and the Ordinance. Nothing contained in this Article, or elsewhere in this Declaration, shall be construed to prohibit the Declarant or Builder/Owners from the use of any Lot or dwelling, or improvement thereon, for promotional or display purposes, or as "model homes", a sales and/or construction office, or the like.

Section 7.02. Prohibited Uses and Nuisances. Except for the activities of the Declarant or Builder/Owner during the construction of the Development, or except with the prior written approval of the Board, or as may be necessary in connection with reasonable and necessary repairs or maintenance to any dwelling or upon the Common Area no use of any Lot and/or dwelling/dwelling unit shall be permitted that is not in accordance with the rules and regulations adopted by the Board and filed by the Association in the Depository.

The Board may allow reasonable variances and adjustments of the restrictions stated in this **Section 7.02** in order to overcome practical difficulties and prevent unnecessary hardships in the applications of the provisions herein contained provided, however, that such adjustment or variation: (i) is made in conformity with the purposes hereof; and (ii) shall not be materially detrimental or injurious to other property or improvements in the neighborhood. Enforcement of the restrictions set forth herein shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any restriction, either to restrain the violation or to recover damages.

Section 7.03. Leasing and Transfers.

(a) No portion of a dwelling unit, other than an entire dwelling unit, may be leased or rented. All leases and rental agreements shall be in accordance with all applicable laws and regulations in effect from time to time in Garrett County. All leases shall be on forms approved by the Association and shall (i) contain provisions advising the tenant of his/her obligation to comply with all provisions of this Declaration, the Bylaws and the rules and regulations of the Association; (ii) provide that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, the Bylaws or rules and regulations of the Association, or of any other document, agreement or instrument governing the dwelling units and/or the Property. The Owner(s) of a leased Lot shall notify the Association in writing of the Owners' current address. The Owner(s) of a leased or rented dwelling unit shall be jointly and severally liable with his/her tenant(s) to the Association to pay any claim for injury or damage to persons or property caused by any action or omission, including, without limitation, the negligence of the tenant(s). Every lease and rental agreement shall be subordinate to any lien filed by the Association, whether before or after such lease was entered into. The minimum term any dwelling unit may be rented or leased shall be determined by the Board and set forth in the rules and regulations of the Association referred to in **Section 7.02** above.

(b) Prior to the sale, conveyance or transfer of any Lot or dwelling unit to any person, the Owner shall notify the Board in writing, by certified mail, return receipt requested of the name and address of the person to whom the proposed sale, conveyance or transfer is to be made and provide to it such other information as the Board may reasonably require. Failure to comply with the

provisions of this **Section 7.03(b)** shall not void, prohibit or otherwise, invalidate the sale, conveyance or transfer of any Lot or dwelling unit, nor may it have any affect upon any mortgage or deed of trust thereon.

Section 7.04. Parking. Parking within the Property shall be subject to the following restrictions:

(a) The Declarant and thereafter the Board shall have the right to designate areas on the Common Area for temporary guest parking. Except as set forth below or as otherwise established by the Declarant or the Association, said designated guest parking areas shall be for temporary guest parking only.

(b) Said designated guest parking areas may only be used by Owners and occupants (non-guests) within the Property between the hours and for periods as the Board may establish from time to time and set forth in the rules and regulations of the Association.

(c) All Owners and occupants of any dwelling located on any Lot shall, of possible, park within such Lot, either in the garage or on the driveway, if any.

(d) All Owners or occupants of any dwelling located on a Type III Lot shall be limited to a maximum of the number of parking spaces equal to the number of bedrooms in the subject Type III Lot unit and shall park within the designated parking space(s) for such Type III Lot.

(e) The Association shall be entitled to establish supplemental rules concerning parking on any portion of the Common Area and Lots, including, without limitation, providing for the involuntary removal of any vehicle violating the provisions of this Declaration and/or such rules.

(f) The Declarant, its successors and assigns, and its nominee or nominees and any agents, servants and/or employees thereof shall be exempt from the provisions of this **Section 7.04.**

Section 7.05. House Rules, Etc. There shall be no violation of any reasonable rules for the use of the Common Area and community facilities or "house rules" or other community rules and regulations not inconsistent with the provisions of this Declaration which may from time to time be adopted by the Board and promulgated among the Membership by them in writing, and the Board is hereby and elsewhere in this Declaration authorized to adopt such rules.

Section 7.06. Exemptions. None of the foregoing restrictions set forth in this **Article VII** shall be applicable to the activities of:

(a) Declarant, its officers, employees, agents or assigns, in their development, marketing, leasing and sale of Lots or other parcels within the Property; or

(b) To the Association, its officers, employees and agents, in connection with the proper maintenance, repair, replacement and improvement of the Common Areas and community facilities.

Section 7.07. Declaration of Easements and Rights. The following easements and rights are hereby declared or reserved:

(a) Declarant reserves the right to grant easements, both temporary and permanent, to all public authorities and utility companies over any part of the Common Area.

(b) Each Lot within the Property is hereby declared to have an easement, not exceeding one foot (1') in width, over all adjoining Lots and Common Areas for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, roof overhangs, gutters, architectural or other appendages, draining of rainwater from roofs, or any other similar cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owner shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure on any Lot is partially or totally destroyed and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

(c) There is hereby reserved unto the Declarant, and to such other party(ies) as the Declarant may specifically, and in writing, assign such rights, for the benefit of the Property, a blanket easement upon, across and under the Property (provided such easement does not encroach upon any building within the Property or unreasonably interfere with the use and enjoyment of the Property), for vehicular and pedestrian ingress and egress, curb cuts, slope,

or grading easements, as well as for the installation, replacement, repair and maintenance of all utilities, including, but not limited to, water, sewer, drainage, storm water management, gas, cable television, telephones and electricity, and further including the right to connect to and use any such utilities which may exist or be located upon the Property from time to time. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles, pipes, lines and other equipment on the Property, to affix and maintain electrical or telephone wires and conduits, sewer and water drainage lines, on, above, or below any portion of the Property, including any improvements constructed thereon, and to have construction vehicles, equipment and the like exercise the aforesaid right of ingress and egress over the Property. There is further reserved unto the Declarant the right to erect entry features, promotional and other similar items within the Property provided they do not unreasonably interfere with the use, operation and enjoyment of the Property. There is further reserved unto the Declarant the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Property in furtherance of the blanket easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Property in furtherance of the blanket easement created by this **subsection (c)**. Further, without limiting the generality of the foregoing, the Declarant reserves the right to unilaterally execute and record such additional easements and agreements as may be necessary in order to give effect to the foregoing easements and other rights, which additional easements and other agreements need not be consented to or joined in by any party having an interest in the Property; provided, however, that if, requested by the Declarant, any party having an interest in the Property shall promptly join in and execute such confirmatory easements and other agreements. Declarant also reserves the right to enter into the Common Area for the purpose of carrying out any obligations it may have, or assume, with respect to the curing of any defects in workmanship or materials in the Property or the improvements thereon. Each Lot shall further be subject to a public pedestrian access easement over and upon any sidewalk (or the replacement thereof) constructed on the Lot by the Declarant, which sidewalk is reasonably deemed to be for the use of the community of which the Lot is a part.

(d) An easement is hereby reserved to Declarant to enter the Common Area during the period of construction and sale of the Property, and to maintain such facilities and perform such operations as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the construction and sale of

residences, including, without limitation, a business office, sales office, storage area, construction yards, signs, displays and model units.

(e) Declarant also reserves the right to enter into the Common Area for the purpose of carrying out any obligations it may have, or assume, with respect to the curing of any defects in workmanship or materials in the Property or the improvements thereon. There is further reserved unto the Declarant and its agent(s) a non-exclusive easement over, across and through all of the Common Areas for the purpose of access, the storage of building supplies and materials and equipment and, without any limitation, for any and all purposes reasonably related to the completion of the development, construction or rehabilitation and repair of the Property.

(f) For a period of ten (10) years from the date of conveyance of the first --Lot, the Declarant reserves a blanket easement and right on, over and under the Property to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which the Declarant shall restore the affected property to its original condition as near as practicable. The Declarant shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice. There is further reserved unto the Declarant the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Property in furtherance of blanket easement created by this **subsection (f)**.

(g) The rights and duties with respect to sanitary sewer and water, storm drains, downspouts, yard drains, cable television, electricity, gas and telephone lines and facilities shall be governed by the following:

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

said installations.

(ii) The right granted in **Subsection (i)** above shall be only to the extent necessary to entitle the property of the owner or Association serviced by said installation to its full and reasonable use and enjoyment, and provided further that anyone exercising said right shall be responsible for restoring the surface of the easement area so used to its condition prior to such use.

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

(h) The Association shall have an easement to enter any portion of the Property for the performance of its duties hereunder; provided that except as provided in **Article VIII** hereof, such easement shall not entitle the entry within the interior portion of any dwelling located on the Property, but (by way of illustration only and not in limitation of the rights granted herein) shall permit the entry into fenced, or other similar areas of the Property.

(i) With respect to any step, patio, deck, downspout or yard drain or other similar structure that may benefit any Lot and is constructed by the Declarant and which may encroach upon any portion of the Common Area, there is hereby reserved for the benefit of the Lot for which such step, patio, deck, downspout, drain or other structure serves, a perpetual easement for the location, maintenance, repair and use of such structure or items within the Common Area, but only to the extent that Declarant's original construction thereof encroaches within the Common Area. The Owner of the Lot benefitting from such easement agrees to maintain such structure or item and to indemnify and hold the Association harmless from any loss, liability or damage arising out of or resulting from the use, enjoyment and benefit of the easement granted hereby.

(j) There is hereby created for the benefit of each Lot, which is enclosed, in whole or in part, by any wooden, brick, stone or other similar fence and/or wall constructed by the Declarant, a perpetual easement to use any portion of the Common Area that may be located between such fence and/or wall and the record platted

lot line for such benefitted Lot; provided, however, that subject to the provisions of **Section 5.02 (b)** of this Declaration, the obligation to maintain such portion of the Common Area shall be that of the Owner of the benefitted Lot and the obligation to maintain the wooden; brick, stone, or other similar fencing located within the Common Area, which encloses the benefitted Lot, shall be that of the Owner of the benefitted Lot. The Declarant shall deliver to the Association (who shall maintain it among its permanent records) a plat showing all of such areas, which plat shall define the maintenance responsibilities of the benefitted Owners. The Owner of any Lot benefitting from the foregoing easement agrees to indemnify and hold the Association harmless from any loss, liability or damage arising out of or resulting from the use, enjoyment and benefit of the easement rights provided for herein.

(k) A mutual right and easement for utility services is hereby established for the benefit of all owners, such that no owner shall take any action which would in any way interfere with utility services being provided to other owners within the Project. If a Lot contains any utility pipes, ducts, conduits, wires or the like which are for the benefit, in whole or in part, of other Owners within the Project, then the Owner of such Lot shall promptly, at his/her expense, repair any damage to such utilities caused by the Owner, his/her guests or invitees.

(l) The Association, its agents and employees, shall have an irrevocable right and an easement to enter the Lots for the purposes of exercising the rights and fulfilling the obligations established by this Declaration and any Supplementary Declaration recorded hereafter, including, without limitation, the right to maintain and care for Lawn and Garden Areas in accordance with this Declaration.

ARTICLE VIII

MAINTENANCE

Section 8.01. Owners' Rights and Responsibilities. Except as otherwise specifically provided in this Declaration, each Owner shall keep each Lot owned by him/her, and all improvements therein or thereon, in good order and repair and free of debris in a manner and with such frequency as is consistent with good property management and the Community-Wide Standard. In the event an Owner of any Lot in the Property shall fail to maintain the Lot and the improvements situated thereon, the Board or its agent shall have the right to enter upon said Lot to correct damage and to repair,

maintain and restore the Lot and the exterior of the buildings and any other, improvements erected thereon. Whenever entry is not required in an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry. All costs related to such correction, repair or restoration shall be collectible from the Owner of such Lot in the same manner as assessments as provided in **Article V** herein.

Section 8.02. Association Maintenance. The Association shall maintain and keep in good order the Common Areas, such maintenance to be funded as hereinbefore provided. In addition, the Association shall maintain and keep in good repair rights-of-way and entry strips, whether owned as part of a Lot or dedicated for public use, so long as the rights-of-way or entry strips are within or appurtenant to the Project. This obligation shall include, but not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures and improvements situated upon such areas.

The Association shall maintain and keep in good order the Lawn and Garden Areas, such maintenance to be funded as hereinbefore provided. Without limiting the generality of the foregoing, the Association shall be responsible for mowing, fertilizing, trimming and otherwise caring for the lawns, as well as planting, pruning, fertilizing and otherwise maintaining trees, shrubs and other plant materials which are located within the Lawn and Garden Areas. All such maintenance and care of the Lawn and Garden Areas shall be in conformity with the Community-Wide Standard.

Any Owner may request that the Association refrain from performing all or a part of the Lawn and Garden Area maintenance described above. Such a request must be made to the Association at least thirty (30) days prior to the date the Owner desires the Association to refrain from such maintenance. The Association shall not unreasonably withhold approval of such request, provided the Owner has demonstrated to the satisfaction of the Association his or her intentions to maintain the Lawn and Garden Area, the Association shall determine the amount of savings to be realized by the Association (if any) as a result of the reduced expenses (if any) to be incurred by the Association due to such Owner's election to maintain his/her Lawn and Garden Areas and shall reimburse such Owner the amount of such savings (less reasonable administrative expenses) on a quarterly basis, in arrears, provided the Association is satisfied with the maintenance actually performed by the Owner.

LIBER 1 250 PAGE 0142

The Association may, in the discretion of the Board, assume additional maintenance responsibilities upon all or any portion of the Property. In such event, all costs of such maintenance shall be assessed only against those Owners residing within the portion of the Property receiving the additional services. This assumption of responsibility may take place either by contract or because, in the opinion of the Board, the level of quality of service then being provided is not consistent with the Community-Wide Standard of the Project. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association shall also have the right to enter any Lot, including the dwelling unit located on such Lot, without the consent of the Owner and/or occupant thereof, to conduct any emergency repairs as are necessary for the maintenance and protection of the Common Areas and the Lawn and Garden Areas. The costs of such repairs shall be collectible from the Owner of such Lot in the same manner as assessments as provided in **Article V** herein.

ARTICLE IX

INSURANCE

Section 9.01. Individual Coverage. By virtue of taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association that each individual Owner shall carry blanket all risk casualty insurance on the dwelling and all structures located upon the Lot. At a minimum, such coverage shall provide coverage against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard. The Board or its duly authorized agent, shall have the authority to obtain insurance for all or any of the dwellings located on the Property, unless the Owners thereof have supplied proof of adequate coverage to the Board's satisfaction. Each owner further covenants and agrees that in the event of a partial loss or damage destruction resulting in less than total destruction to the dwelling and other structures constructed on the Lot, the Owner shall proceed promptly to repair or to reconstruct the dwelling and other damages structures in a manner consistent with the original construction. In the event that a detached dwelling located upon a Type I Lot is totally destroyed and the Owner determines not to rebuild or to reconstruct, the Owner shall clear the Type I Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of

construction of the dwelling on such Lot. Each Owner of a Type II Lot or Type III Lot covenants and agrees that in the event that such dwelling is totally destroyed, the Owner shall proceed promptly to repair or to reconstruct the dwelling in a manner consistent with the original construction, unless approval to do otherwise is obtained from the Board/Covenant Committee. The Board may impose more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Lot and the standard for returning the Lot to its natural state in the event the Owner decides not to rebuild or reconstruct.

Section 9.02. Required Coverage. The Board or its duly authorized agent, shall be required to obtain, maintain and pay the premiums, as a Common Expense, upon a policy of property insurance covering all the Common Areas (except land, foundation, excavation and other items normally excluded from coverage) including fixtures and building service equipment, to the extent that they are a part of the Common Areas of the- Association, as well as common personal property and supplies.

The insurance policy shall afford, as a minimum, protection against loss or damage by fire and other perils normally covered by the standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "All Risk" endorsement, where such is available. The policy shall be in an amount equal to one hundred percent (100%) of the current replacement cost of the Common Areas (less a deductible deemed reasonable by the Board) and shall name the Association as the named insured.

Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by Best's Insurance Reports of B/VI or better (or its equivalent). Hazard insurance policies are also acceptable from any insurance carrier which has a financial rating by Best's Insurance Reports of Class V, provided it has a general policyholder's rating of at least "A". Each insurer must be specifically licensed or authorized by law to transact business within the State of Maryland. The policy contract shall provide that no assessment may be made against the mortgagees, and that any assessment mad against other may not become a lien on the mortgaged premises superior to the first mortgage.

If any portion of the Common Areas are in a special flood hazard area, as defined by the Federal Emergency Management Agency, the Board or its duly authorized agent, shall be required to

obtain, maintain and pay, as a common expense, the premiums upon a "master" or "blanket" policy of flood insurance on Common Area buildings and any other Common Area property. The policy shall be in an amount deemed appropriate, but not less than the maximum coverage available under the NFIP for all buildings and other insurable property within any portion of the Common Areas located within a designated flood hazard area or one hundred percent (100%) of current replacement cost of all such buildings and other insurable property.

The Association shall maintain comprehensive general liability insurance coverage covering all of the Common Areas, public ways of the project, and other areas that are under its supervision (including, but not limited to, commercial spaces, if any, owned by the Association, whether or not they are leased to third parties). Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location and use. Coverage under this policy shall include, without limitation, legal liability of the insured for property damage, bodily injuries and Common Areas, and legal liability arising out of lawsuits related to employment contracts in which the Association is a party. Such insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. Such policies must provide that they may not be canceled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association.

Blanket fidelity bonds shall be required to be maintained by the Association for all officers, directors, managers, trustees, employees and volunteers of the Association and all other persons handling or responsible for funds held or administered by the Association, whether or not they receive compensation for their services. Where the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such management agent shall be covered by its own fidelity bond. All fidelity bonds, including those entered into by, and/or on behalf of or for the benefit of a management agent and its personnel, should name the Association as an obligee (for bonds entered into or on behalf of, or for the benefit of a management agent and its personnel, the Association should be named as an additional obligee). Fidelity bonds entered into by the Association shall have their premiums paid as a Common Expense of the Association. The total amount of fidelity coverage required shall be sufficient to cover the maximum funds that will be in the custody of the Association or management agent at any time.

LIBER 1 250 PAGE 0145,

Section 9.03. Repair and Reconstruction of Common Areas After Fire or Other Casualty. Except as hereinafter provided (and inconsistent herewith), in the event of damage to or destruction of any portion of the Common Areas covered by insurance payable to the Association as a result of fire or other casualty, the Board shall arrange for the prompt repair and restoration thereof, and the Board or the Insurance Trustee (as hereinafter defined), as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, as provided below.

The Insurance Trustee may rely upon a certificate of the Board which certifies whether or not the damaged Property is to be reconstructed or repaired. The Board, upon request of the Insurance Trustee, shall deliver such certificate as soon as practicable.

Immediately after a casualty causing damage to the Common Areas for which the Association has the responsibility of maintenance, repair, and/or replacement, the Board shall obtain reliable and detailed estimates of the cost to place the damaged portions of the Common Areas in as good a condition as existed before the casualty. Such costs may include professional fees and premiums for such bonds as the Board desires.

In the event of reconstruction or repair (as estimated by the Board) which shall exceed Twenty Five Thousand Dollars (\$25,000.00), all proceeds of insurance shall be paid **over** to a trust company or bank having trust powers and authorized to engage in the trust business in the State of Maryland (hereinafter the "Insurance Trustee"), selected by the Board and shall be paid out from time to time as the reconstruction and repair progresses in accordance with the provisions of an Insurance Trust Agreement and which contains, *inter alia*, the following provisions:

(a) the reconstruction or repair shall be in the charge of an architect or engineer, who may be an employee of the Association, and hereinafter called the "Architect";

(b) any restoration or repair of the project shall be performed substantially in accordance with the Declaration and the original plans and specifications;

(c) each request for an advance of the proceeds of insurance shall be made to the Insurance Trustee and shall be accompanied by a certificate from the Architect and Board to the effect that (i) all work then completed has been performed in

accordance with the plans and specifications; and (ii) the amount requested, to be advanced is required to reimburse the Board for payments previously made by the Board or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, and architects or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the like necessarily incurred in connection with the same; and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date of such request;

(d) each request for an advance of the proceeds of insurance shall be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment or reimbursement is being requested, together with appropriate evidence from a title insurance company or the like to the effect that there has not been filed with respect to the Common Areas, or any part thereof, any mechanics' or other lien, or notice of intention to file the same, which has not been dismissed, bonded, or satisfied or record;

(e) the fees and expenses of the Insurance Trustee, as agreed upon by the Board and the Insurance Trustee, shall be paid by the association as a Common Expense, and such fees and expenses may be deducted from any insurance proceeds in the hands of the Insurance Trustee, *pro rata*, as the reconstruction or repair progresses; and

(f) such other provisions not inconsistent with the provisions hereof as the Board or the Insurance Trustee may reasonably require.

Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Board if such funds relate to Common Areas, or (ii) to the Owner of any Lot to which any such proceeds may relate.

ARTICLE X

PARTY WALLS, PARTY FENCES AND PARTY DRIVEWAYS

The rights and duties of the Owners of Lots with respect to party walls, fences and driveways shall be governed by the following:

Section 10.01. General Rules of Law to Apply. Each wall, fence or driveway which is constructed as a part of the original construction on the Property and any part of which is placed on the dividing line between separate Lots, shall constitute a party wall, party fence or party driveway; as applicable, and with respect to such wall, fence or driveway, each of the adjoining Owners shall assume the burdens, and be subject to an easement for that portion of the wall, fence or driveway on his or her Lot, and be entitled to the benefits of these restrictive covenants and, to the extent not inconsistent herewith, the general rules of law regarding party walls, fences and driveways and of liability for property damage due to negligence or willful acts or omissions, shall apply thereto.

Section 10.02. Sharing of Repair and Maintenance and Destruction by Fire or Other Casualty. If any such party wall, fence or driveway is damaged or destroyed by fire or other casualty or by some cause other than the act of one of the adjoining owners, his/her agents, or family (including ordinary wear and tear and deterioration from lapse of time), then, in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly, in proportion to their respective use of the party wall, fence or driveway.

Section 10.03. Repairs of Damage Caused by One Owner. If any such party wall, fence or driveway is damaged or destroyed through the act of one adjoining Owner or any of his/her agents or guests or members of his/her family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall, fence or driveway, then the Owner responsible for such damage shall forthwith proceed to rebuild and repair the same to as good condition as formerly, without cost to the adjoining Owner.

Section 10.04. Weatherproofing. Notwithstanding any other provision of this Article, any Owner who by his/her negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 10.05. Encroachments. If any portion of a party wall, fence or driveway shall encroach upon any adjoining Lot, or upon the Common Area by reason of reconstruction, settlement or shifting of any building, or otherwise, a valid easement for the encroachment and for the maintenance of the same as long as the building stands shall exist.

Section 10.06. Other Changes. In addition to meeting the other requirements of these restrictive covenants, and of any building code or similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild his/her dwelling in any manner which requires the extension or other alteration of any party wall, fence or driveway, shall first obtain the written consent of the adjoining Owner.

Section 10.07. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 10.08. Dispute. In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall, fence or driveway or with respect to the sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board who shall decide the dispute, and the decision of such Board shall be final and conclusive upon the parties.

ARTICLE XI

MANAGEMENT

Section 11.01. Management Agent. The Board may employ for the Association a professional management agent or manager (the "Management Agent") at a rate of compensation established by the Board to perform such duties and services as the Board shall from time to time authorize in writing, including the following:

(a) to establish (with the approval of the Board) and provide for the collection of the annual maintenance assessments and any other assessments provided for in this Declaration and to provide for the enforcement of liens therefor in a manner consistent with the law and the provisions of this Declaration;

(b) to provide for the care, upkeep, maintenance and surveillance of the Common Area and community facilities;

(c) to designate, hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the Common Area and community facilities;

(d) to promulgate (with the approval of the Board) and enforce such rules and regulations and such restrictions or requirements, "house rules" or the like as may be deemed proper

respecting the use of the Common Area and community facilities; and

(e) to provide such other services (including legal and accounting services) for the Association as may be consistent with law and the provisions of this Declaration.

Section 11.02. Duration of Management Agreement. Any Management Agreement entered into by the Association shall provide, *inter alia*, that such Agreement may be terminated for cause by either party upon thirty (30) days' written notice thereof to the other party. The term of any such Management Agreement shall not exceed one (1) year; provided, however, that the term of any such Management Agreement may be renewable by mutual agreement of the parties for successive one (1) year periods.

Any Management Agreement entered into by the Declarant, its nominee or nominees, assigns, successor(s) or agent thereof, prior to transfer of control of the Association must be terminable, without cause, any time after transfer of control, on not less than thirty (30) nor more than ninety (90) days' notice, and no charge or penalty may be associated with such termination.

ARTICLE XII

GENERAL PROVISIONS

Section 12.01. Common Area Responsibility. The Association, subject to the rights of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including, without limitation, furnishings and equipment related thereto, roads, private drainage facilities and common landscaped areas), and shall keep the Common Areas in good, clean, attractive, and sanitary condition, order and repair, pursuant to the terms and conditions hereof.

Section 12.02. Personal Property and Real Property for Common Use. The Association may acquire, hold and dispose of tangible and intangible personal property and real property, subject to the requirements of this Declaration. The Board, acting on behalf of the Association, will accept any real or personal property, leasehold, or other property interests within the Property conveyed to it by the Declarant.

Section 12.03. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege

reasonable to be implied from the existence of any right or privilege 'given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 12.04. Limitation of Liability. The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the Common Expense funds, .or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Areas or community facilities, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any Member for loss or damage, by theft of otherwise, of articles which may be stored upon the Common Areas or community facilities. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or community facilities, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance• or with the order or directive of any municipal or other governmental authority.

Section 12.05. Enforcement. The Association, or any Owner, or any Mortgagee of ant Lot shall have the right to enforce, by any proceeding at law and/or in equity, all restrictions, conditions, covenants, reservations, easements, liens, charges• or other obligations or terms now or hereafter imposed by the provisions of this Declaration, or the Articles, or Bylaws of the Association or any Architectural Design Guideline, rule or regulation promulgated by the Association pursuant to its authority as provided in the Declaration, Articles or Bylaws. Failure by the Association or by any Owner or by any Mortgagee of any Lot to enforce any covenant or restrictions herein contained or any provision of the Bylaws, Articles or Architectural Design Guidelines, rules and regulations of the Association shall in no event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants or restrictions or any provision of the Bylaws or Articles, of the Association cannot be adequately remedied by action at law or exclusively by •recovery of damages. If the Association, or any Owner or Mortgagee of any Lot, successfully brings an action to extinguish a violation or otherwise enforce the provisions of this Declaration or the Articles or Bylaws of the Association, the costs of such action, including legal fees, shall become a binding, personal obligation of the Owner committing or responsible for such violation, and such costs shall also be a lien upon the Lot of such Owner, provided that the requirements of the

Lien Act are substantially fulfilled.

Without limiting the generality of the foregoing, and in addition to any other remedies available, the Association after reasonable notice, in writing, provided to the Owner, may enter any Lot to remedy any violation of the provisions of this Declaration, the Bylaws, Articles or Architectural Design Guidelines, rules and regulations of the Association provided, however, that the Association may not enter the interior of any dwelling unit except in an emergency. The costs of such action shall become a binding, personal obligation of the Owner otherwise responsible for such violation and shall also be a lien upon the Lot of such Owner.

Section 12.06. Fines. In addition to the means for enforcement provided elsewhere herein, the Association shall have the right to levy fines against an Owner or his guests, relatives, lessees or invitees, in the manner set forth herein, and such fines shall be collectible as any other assessment such that the Association shall have a lien against the Lot of such Owner as provided in this Declaration, the Bylaws and the Articles and such fine(s) shall also become the binding personal obligations of such Owner.

(a) The Board shall be charged with determining where there is probable cause that any of the provisions of this Declaration, the Bylaws, Articles or the Architectural Design Guidelines or the rules and regulations of the Association, regarding the use of the dwelling units, Lots, Common Area or other Association property, are being or have been violated. In the event that the Board or the Covenant Committee determines an instance of such probable cause it shall cause the Board to provide written notice to the person alleged to be in violation, and the Owner of the Lot which that person occupies or is visiting if such person is not the Owner, of the specific nature of the alleged violation and of the opportunity for a hearing before the Board upon a request made within five (5) days of the sending of the notice. The notice shall also specify, and it is hereby provided, that each recurrence of the alleged violation or each day during which it continues shall be deemed a separate offense, subject to a separate fine not to exceed for each offense an amount determined by the Board and set forth in the rules and regulations of the Association. The notice shall also specify, and it is hereby provided, that in lieu of requesting a hearing, the alleged violator or Owner may respond to the notice within five (5) days of its sending, acknowledging in writing that the violation occurred as alleged and promising that it will henceforth cease and will not recur, and that such acknowledgment and promise, and performance in accordance therewith, shall terminate for the enforcement activity of the

Association with regard to such violation.

(b) If a hearing is timely requested, the Board shall hold the same, and shall hear any and all defenses to the charges, including any witnesses that the alleged violator, Owner or the Board or Covenant Committee may produce. Any party at the hearing may be represented by counsel.

(c) Subsequent to any hearing, or if no hearing is timely requested and if no acknowledgment and promise is timely made, the Board shall determine whether there is sufficient evidence of a violation or violations as provided herein. If the Board determines that there is sufficient evidence, it may levy a fine for each violation in the amount provided herein.

(d) A fine pursuant to this **Section 12.06** shall be assessed against the Lot_ which the violator occupied or was visiting at the time of the violation, whether or not the violator is an Owner of that Lot, and shall be collectible in the same manner as any other assessment, including by the Association's lien rights as provided in this Declaration and the Bylaws. Nothing herein shall be construed to interfere with any right that an Owner may have to obtain from a violator occupying or visiting his Lot payment of the amount of any fine(s) assessed against that Lot.

(e) Nothing herein shall be construed as a prohibition of a limitation on the right of the Association to pursue any other means of enforcement of the provisions of this Declaration, the Bylaws, Articles or rules and regulations, including, but not limited to, legal action for damages or injunctive relief.

Section 12.07. Severability. Invalidation of any one of these covenants or restrictions of judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 12.08. Duration and Amendment. Except where permanent easements or other permanent rights or interest are herein created, the covenants and restrictions of the Declaration shall run with and bind the land for a term of thirty (30) 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 by an instrument signed by the Owners of not less than sixty-six and two-thirds percent (66 2/3%) of the Lots. Any amendment must be recorded.

Section 12.09. Annexation. The Declarant shall have the right,

for a period of ten (10) years following the date of recordation of this Declaration, without the consent of the Members of the Association, to annex and bring within the scheme of this Declaration additional land in future stages of the Development, provided that so long as a Lot is encumbered by a deed of trust or mortgage which is guaranteed or insured by VA or FHA, then VA or FHA, as applicable, shall approve any annexations not in accord with the Development Plan (and amendments thereto) as approved by them. The additions authorized shall be made by filing of record Supplementary Declarations of Covenants with respect to the additional land which shall extend the scheme of the covenants and restrictions of this Declaration to such land and thereby subject such land to the effect and operation of this Declaration. Said Supplementary Declarations may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added Lots and as are not inconsistent with the scheme of this Declaration. Except as otherwise hereinafter provided, annexations to the Property shall require the consent of sixty-six and two-thirds percent (66 2/3%) of the Class A Members.

Section 12.10. FHA-VA Approvals. Provided that any Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is insured by FHA or guaranteed by VA, and further provided that there are Class B Memberships of the Association outstanding, neither the Members, the Board, nor the Association shall by act or omission, take any of the following actions without the prior written consent or approval of the FHA and the VA, as circumstances may require:

(a) change the basic organization of the Association including the merger, consolidation, or dissolution of the Association;

(b) dedicate, convey, or mortgage the Common Area;

(c) annex additional properties (other than an annexation by the Declarant as provided in **Section 12.09**); or

(d) otherwise materially modify or amend any provision of this Declaration, the Bylaws or the Articles of the Association.

Section 12.11. Consents. Any other provision of this Declaration or by Bylaws or Articles of the Association to the contrary notwithstanding, neither the Members, the Board nor the Association shall, by act or omission, take any of the following

actions without obtaining the approval of such action by an instrument signed by the Owners of not less than sixty-six and two-thirds percent (66 2/3%) of the Lots:

(a) abandon, partition, alienate, release, hypothecate, dedicate, subdivide, encumber, sell or transfer any of the Common Areas or community facilities directly or indirectly owned by the Association; provided, however, that the granting of rights-of-way, easements and the like for public utilities or for other purposes consistent with the use of the Common Areas and community facilities by Members of the Association shall not be considered a transfer within the meaning of this Section;

(b) abandon or terminate this Declaration;

(c) conversion of Lots into Common Areas, except as otherwise expressly provided herein;

(d) modify or amend any material provisions of this Declaration, which establish, provide for, govern or regulate any of the following:

(i) voting rights;

(ii) assessments, assessment liens or subordination of such liens;

(iii) reserves for maintenance, repair and replacement of the Common Areas;

(iv) insurance or fidelity bonds;

(v) rights to use the Common Areas by any Owner, except in accordance with **Section 3.01(b)**;

(vi) responsibility for maintenance and repairs;

(vii) subject to compliance with all applicable laws and regulations in effect from time to time in Garrett County, expansion or contraction of the property subject to this Declaration or the addition, annexation or withdrawal of property to or from this Declaration, except in accordance with **Section 12.09**;

(viii) boundaries of any Lot;

(ix) imposition of any restrictions on the rights of an Owner to sell or transfer his or her Lot; or

(x) restoration or repair of the Project {after a hazard damage or partial condemnation) in a manner other than that specified in the documents.

An addition or amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only.

{e) substantially modify the method of determining and collecting assessments against an Owner or his/her Lot as provided in this Declaration;

{f) waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of buildings or structures on the Lots, the exterior maintenance of buildings or structures on the Lots, the maintenance of the Common Areas, party walkways or common fences and driveways, or the upkeep of lawns and plantings within the Property;

{g) fail to maintain insurance in accordance with **Section 9.02** of this Declaration; and sixty-six and two thirds percent (66 2/3%) of the Owners have given their prior written approval; or

{h) use hazard insurance proceeds for losses to any Association Common Area for other than the repair, replacement or reconstruction of such Common Area or property.

Section 12.12. Additional Rights of Mortgagees - Notice. The Association shall promptly notify all Eligible Mortgage Holders who hold first mortgages on any Lot for which an assessment levied pursuant to the declaration, or any installment thereof, becomes delinquent for a period in excess of sixty {60) days and the Association shall promptly notify any Eligible Mortgage Holder who holds a first mortgage on any Lot with respect to which any default in any other provision of this Declaration remains uncured for a period in excess of sixty (60) days following the date of such default. Any failure to give any such notice shall not affect the validity or priority of any Eligible Mortgage Holder on any Lot and the protection extended in this Declaration to the holder of any such mortgage shall not be altered, modified or diminished by reason of such failure.

No suit or other proceeding may be brought to foreclose

LIBER 1 250 PAGE 0 1 5 6

the lien for any assessment levied pursuant to this Declaration except after ten (10) days' written notice to the holder of the first mortgage on the Lot which is the subject matter of such suit or proceeding.

Any first mortgagee of any Lot may pay any taxes, utility charges or other charge levied against the Common Areas and community facilities which are in default and which may or have become a charge or lien against any of the Common Areas and community facilities and any such first mortgagee may pay any overdue premiums on any hazard insurance policy or secure new hazard insurance coverage on the lapse of any policy, with respect to the Common Areas and community facilities. Any first mortgagee who advances any such payment shall be due immediate reimbursement of the amount so advanced from the Association.

Section 12.13. Casualty Losses. In the event of substantial damage or destruction to-- any of the Common Areas or community facilities, the Board shall give prompt written notice of such damage or destruction to the Eligible Mortgage Holders who hold first mortgages of record on the Lots. No provision of this Declaration or the Articles or the Bylaws of the Association shall entitle any Member to any priority over the holder of, ny first mortgage of record on his/her Lot with respect to the distribution to such member of any insurance proceeds paid or payable on account of any damage or destruction of any of the Conunon Areas or community facilities.

Section 12.14. Changes Required by Lenders. Notwithstanding any provision to the contrary contained in the Article Bylaws of the Association or this Declaration, the Declarant, shall have and hereby reserves the right to make modifications alterations or deletions to the Declaration, the Articles and the Bylaws of the Association if such modifications, additions or deletions are required by VA, FHA, Freddie Mac, Fannie .M3" [ae. The Declarant further reserves the right to waive ing any exemption, right or privilege granted or reserved to the Declarant by this Declaration or the Articles or the Bylaws of the Association.

Section 12.15. Taxes and Assessments. It is the intent of this Declaration that insomuch as the interests of each Owner use and enjoy the Common Area is an interest in real property appurtenant to each Lot, the value of the interest of each Owner in such Common Area shall be included in the assessment for each such Lot and as a result, any assessment directly against such Common Area should be of a nominal nature reflecting that the full value of the same

should be included in the several assessments of the various Lots.

Section 12.16. Successors of Declarant. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Declarant by an instrument, in writing, without notice to the Association.

Section 12.17. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Areas or community facility and any public or municipal agency, authority, or utility and no public municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Areas or community facilities.

Section 12.18. Incorporation by Reference on Resale. In the event any Owner sells or otherwise transfers any Lot, any deed purporting to effect such transfer shall contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration.

Section 12.19. Declarant Reserved Rights. No amendment to this Declaration may remove, revoke, or modify any right, reservation or privilege of the Declarant without the prior written consent of the Declarant or any successors or assignees (pursuant to Section 12.16) of the Declarant.

Section 12.20. Captions. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration.

IN WITNESS WHEREOF, the undersigned, being the DECLARANT herein, has executed this instrument this 15th day of ~~September~~, 2006.

RIDGEVIEW VALLEY, LLC

ATTEST:

Don Paul

By: Peter L. Versteeg (SEAL)
PETER L. VERSTEEG aging Member

BYLAWS
OF
RIDGEVIEW VALLEY
MASTER HOMEOWNERS
ASSOCIATION, INC.

TABLE OF CONTENTS

Article I	Name and Nature
Article II	Definitions
Article III	Meeting of Members
Article IV	Board of Directors Selection; Term of Office
Article V	Nomination and Election of Directors
Article VI	Meetings of Directors
Article VII	Powers and Duties of the Board of Directors
Article VIII	Officers and their Duties
Article IX	Indemnification/Exculpability of Officers and Directors
Article X	Committees
Article XI	Books and Records
Article XII	Assessments
Article XDI	Enforcement
Article XIV	Corporate Seal
Article XV	Amendments
Article XVI	Fiscal Year

ARTICLE I

NAME AND NATURE

Section 1. The name of the corporation is RIDGEVIEW VALLY MASTER HOMEOWNERS ASSOCIATION, INC. , hereinafter referred to as the "Association". The principal office of the Association shall be located at 912 Gravelly Run Road, P.O. Box 417, McHenry, Maryland 21541, but meetings of Members and Directors may be held at such other places within the State of Maryland, as may be designated by the Board of Directors of the Association.

Section 2. These Bylaws are intended to govern the administration of the Association, a non-profit corporation organized under Title 5, Subtitle 2 of the Corporations and Associations Article of the Annotated Code of Maryland (the "Corporation Law") and the Maryland Homeowners Association Act (the "Act") set forth in Title 11B of the Real Property Article of the Annotated Code of Maryland, and the management, administration, utilization and maintenance by the Association of the property described in the Declaration for Ridgeview Valley Planned Residential Development ("Development") hereinafter described.

ARTICLE II

DEFINITIONS

Section 1. The terms "Association", "Common Areas", "Declarant", "Development", "Lot" and "Open Space", as used in these Bylaws shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions relating to the Development dated September 15, 2006, and recorded among the Land Records of Garrett County in Liber 1250, folio 111 (the "Declaration").

Section 2. "Member", as used herein, means those persons or entities entitled to membership in the Association as provided in the Declaration.

Section 3. "Owner", as used herein, means and refers to the record owner, whether one (1) or more persons or entities, of the fee simple title or undivided fee interest to any Lot in the Development, but excluding those having such interest merely as security for the performance of any debt obligation. As provided in the Articles of Incorporation of the Association ("Articles"), the Members of the Association shall all be Owners and shall be enti-

tled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members; however, for purposes of a quorum they shall be treated as a single Member. The votes for any such Lot shall be exercised as such persons determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter, at a date, time and place within the State of Maryland selected by the Board of Directors of the Association.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President of the Association or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Membership of the Association.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary of the Association or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, not less than fifteen (15) nor more than sixty (60) days before the meeting, to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting. In the case of a special meeting, the notice shall state the purpose of the meeting.

Section 4. Electronic Notice/Voting. For purposes of these Bylaws, any reference contained herein to "notice" or "voting" shall be construed so as to include/permit such notice/voting by electronic transmission as may be permitted by any provisions of the Act, including, but not limited to, Sections 11B-113.1 and 113.2 of the Act.

Section 5. Quorum. The presence at the meeting of Members or proxies entitled to cast one-fourth (1/4) of the votes of the Membership shall constitute a quorum for any action except as other-

wise provided in the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of the Member's Lot.

ARTICLE IV

BOARD OF DIRECTORS SELECTION: TERM OF OFFICE

Section 1. Number. As provided in the Articles, the affairs of this Association shall be managed by a Board of no less than three (3) nor more than nine (9) Directors, who are required to be Members of the Association.

Section 2. Term of Office. The terms of office of the Directors of the Association named in the Articles shall be for the period until the first annual meeting of the Members at which their successors are elected. The terms of each Director shall be for two (2) years or until his/her successor is elected, whichever shall be the longer period. Each Director shall be elected at the annual meeting.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal, pursuant to these Bylaws, of a Director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his/her predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he/she may render to the Association. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

Section 5. Action Taken without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written

approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination of Directors for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Director, and two (2) or more other persons, who shall be Members of the Association. The Nominating Committee shall be appointed by the President of the Association prior to each annual meeting of the Members, to serve until the close of the annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Directors shall be by written ballot. At the election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place and hour as may be fixed from time to time by resolution of the Board, without the necessity of further notice.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to

(a) Adopt and publish rules and regulations and architectural design guidelines governing the use of the Lots, Common Areas and Open Space in the Development, including any improvements and amenities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights, and the right of use of any facilities located on any Common Area or in any Open Space during any period in which the Member is in default in the payment of any assessment levied or fine imposed by the Association; these rights may also be suspended for a period not to exceed sixty (60) days for an infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws, the Articles, or the Declaration; and

(d) Employ a manager, independent contractors, or other employees or contractors as they deem necessary, and to prescribe their duties. The Board of Directors shall have the right to appoint any such manager, independent contractor or other employee or contractor retained by them to act in an advisory role to the Board of Directors.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such a statement is requested in writing by the holders of one-fourth (1/4) of the votes of the Membership of the Association;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration to:

(1) Fix the amount of the annual assessment against each Lot not later than thirty (30) days in advance of each such regular assessment period;

(2) Fix the amount of any special assessment against each Lot not later than forty-five (45) days in advance of each such special assessment;

(3) Determine how any assessment is to be paid (e.g. monthly, quarterly or annually);

(4) Send written notice of each annual assessment to every Lot Owner subject thereto not later than thirty (30) days in advance of its due date, and of each special assessment, at least forty-five (45) days in advance of its due date and set forth in each such notice how any such assessment is to be paid; and

(5) Foreclose the lien against a Lot if the Owner thereof has not paid any assessment thereon within such time as the Board of Directors may determine, and/ or bring an action at law against the Lot Owner personally obligated to pay the same, which action shall include recovery from the Lot Owner of the costs relating to the action, including attorneys fees (which action may be brought pursuant to the Maryland Contract Lien Act (the "Lien Act") set forth in Subtitle 2 of Title 14 of the Real Property Article of the Annotated Code of Maryland or any other applicable provision of Maryland law;

(d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If the certificate states that an assessment has been paid, the certificate shall be conclusive evidence of payment with respect to any person relying on the certificate;

(e) Procure and maintain adequate liability and hazard insurance on any property in the Development owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded and/or insured, as it may deem appropriate;

(g) Cause the Common Areas and Open Spaces to be maintained;

(h) Take and do any act that may be appropriate regarding the adoption of rules and regulations and/or architectural design guidelines relating to the use, improvement, maintenance, preservation, operation, repair and architectural control of improvements to be constructed on Lots, Common Areas and Open Space in the Development; and

(i) Deposit and maintain current certain information/ documents in the "Depository", as that term is defined by Section 11B-101 of the Act.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. Other than the President and the Vice President, officers of the Association shall not be required to be Members of the Association.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and thereafter at each regular meeting of the Board of Directors that shall follow each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of the notice or at any later time specified

therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to the vacancy shall serve for the remainder of the term of the officer he/she replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Members and of the Board of Directors and see that orders and resolutions of the Board are carried out and maintained as provided in **Article VII, Section 2(a)** above. The President shall have authority to sign all leases, mortgages, deeds, and other written instruments.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his/her absence, inability, or refusal to act, and exercise and discharge such other duties as may be required of him/her by the Board. The Vice-President shall likewise have authority to sign all leases, mortgages, deeds, and other written instruments.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse these funds as directed by resolution of the Board of Directors; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members requesting the same.

The depository of the Association shall be such a bank or banks as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board, provided that a management agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association, if the proper fidelity bond is furnished to the Association.

ARTICLE IX

INDEMNIFICATION/EXCULPABILITY OF OFFICERS AND DIRECTORS

The Association shall provide any indemnification required or permitted by the laws of Maryland and shall indemnify Directors, officers, agents, employees and representatives as provided in the Articles. In addition, the Board shall be authorized at all times to procure and maintain director's and officer's insurance coverage to cover the Association's Directors, officers, agents, employees and representatives. Unless acting in bad faith neither the Board as a body nor any Director, officer, agent, employee, representative or committee member of the Association, shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his/her office. Each Member shall be bound by the good faith actions of the Board, officers, agents, employees, representatives and committee members of the Association, in the execution of the duties of said Directors, officers, agents, employees, representatives and committee members.

ARTICLE X

COMMITTEES

The Association shall appoint an Architectural Review Committee, as provided *in* the Declaration, and a Nominating Committee, as provided *in* these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate *in* carrying out its purpose.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member and first mortgagees holding first mortgages on any Lot. The Declaration, the Articles and the Bylaws of the Association shall be available for inspection by any Member and first mortgagee in the Depository and at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

ASSESSMENTS

Each Member is obligated to pay to the Association all annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of one and one half percent (1 ½%) per month, and be subject to a one time late fee of Fifteen Dollars (\$15. 00) or ten percent (10%) of the assessment, whichever is greater, and the Association may bring an action at law against the owner personally obligated to pay the same and/or foreclose the lien against the Lot, 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 Association property or abandonment of their Lot.

The Association may establish and enforce the lien for any assessment, annual, special or additional established pursuant to the 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, interest, late charges permitted by law, and attorney's fees.

ARTICLE XIII

ENFORCEMENT

The Association shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant to the Declaration, by any or all of the following: self-help; by sending notice to the offending party to cause certain things to be done or undone; by taking any other action before any court, summary or otherwise, as may be provided by law; or by complaint to the duly constituted authorities.

ARTICLE XIV

CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: "Ridgeview Valley Master Homeowners Association, Inc., Maryland 2006", or in lieu thereof the word "SEAL" may be placed adjacent to the signature of an authorized officer of the Association.

ARTICLE XV

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3) of a quorum of Members present in person or by proxy at the meeting at which the vote is taken. Anything set forth above in this **Article XV** to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power and authority to modify, revise, amend, or change any of the terms of provisions of these Bylaws all as from time to time amended or supplemented. However, this unilateral right, power, and authority of the Declarant may be exercised if and only if the Veterans Administration (VA), the Federal Housing Administration (FHA), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), or the Government National Mortgage Association (Ginnie Mae) or any successor agencies or entities thereto or any agencies or entities providing similar programs shall require such action as a condition precedent to the approval by such agency or entity of the Development or any part thereof or any Lots thereon for approved mortgage financing purposes under applicable VA, FHA, Freddie Mac, Fannie Mae, Ginnie Mae or similar programs.

Section 2. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between the Articles, these Bylaws, the Declaration and any law, including, but not limited to, the Act, the law shall be deemed controlling.

ARTICLE XVI

FISCAL YEAR

The fiscal year of the Association shall be January 1 to December 31.

IN WITNESS WHEREOF, we, being all of the Directors of Ridgeview Valley Master Homeowners Association, Inc., have hereunto set our hands this 29th day of September of, 2006.

C E R T I F I C A T I O N

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Ridgeview Valley Master Homeowners Association, Inc., a Maryland corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 29th day of September, 2006.

i IN WITNESS WHEREOF, I have hereunto subscribed my name this 29th day of September, 2006.


Jeffrey P. Gosnell

**ARCHITECTURAL DESIGN
GUIDELINES
FOR
RIDGEVIEW VALLEY**

RVMHA, Inc
912 GRAVELLY RUN ROAD
MCHENRY, MD 21541

NOVEMBER 15, 2006

ARCHITECTURAL DESIGN GUIDELINES FOR RIDGEVIEW VALLEY

1, INTRODUCTION¹

These Architectural Design Guidelines (Guidelines) are intended to provide a decision-making framework for lot development and construction at Ridgeview Valley. This includes site work, landscaping, new buildings and building additions, as well as any alterations or subsequent changes to previously approved plans or existing homes. These Guidelines will be administered and enforced by the Ridgeview Valley Architecture Review Committee (RVARC) in accordance with procedures and provisions set forth in the Declaration of Covenants, Conditions & Restrictions (Declaration) of the Ridgeview Valley Master Homeowners Association, Inc. In the event of any conflict between the Architectural Design Guidelines and the Declaration, the Declaration shall govern and control.

The Guidelines may be amended by the RVARC from time to time. It is the Owner's responsibility to ensure that they have the current Guidelines and have carefully reviewed all applicable sections of the Declaration. The latest version can always be found in the Depository. The examples contained in this document are intended to be illustrative and do not portray any specific plans for construction or remodeling. The purpose of these Guidelines is not to create look-alike structures and improvements, but to ensure that designs are compatible and harmonious with the site, the overall mountain environment, and the design objectives of the Community as a whole.

These Guidelines are binding on any person, persons, company or firm that intends to construct, reconstruct or modify any permanent or temporary improvements in the Community, or to alter the natural setting of the mountain environment. These Guidelines, together with the Declaration are the basis for The Ridgeview Valley Master Homeowners Association rules and regulations. Homeowners and contractors must familiarize themselves with these rules and regulations prior to the start of design or construction.

The Ridgeview Valley Community will be constructed in phases. These Guidelines address residential improvements of lots purchased in all of the proposed phases. Homeowners should refer to the appropriate section of the Guidelines for conditions governing improvements on their lot. The RVARC reserves the right to deny approval to designs that meet requirements but are not in context with the architectural character of the development. In order to maintain the integrity and value of the development, the RVARC will rigorously enforce these Guidelines as detailed in the Rules and Regulations for Architectural Control.

¹ The definition of the following terms can be found in Article I of the Declaration, dated September 15, 2006 and recorded in the Land Records of Garrett County, in Liber 1250 Folio 0116: "Change", "Declaration", "Depository", "Guidelines", "Owner",.

Ridgeview Valley is a mixed-use community comprised of single-family homes, duplexes, and townhouses. The requirements outlined in this document are for single-family homes. The developers will ensure that the planned duplexes and town homes will comply with these Architectural Design Guidelines.

The RVARC will evaluate all proposals with reference to the Architectural Design Guidelines. Some of these Guidelines are written as broad standards, and interpretation of these is left to the discretion of the RVARC. Other Guidelines, such as building height or setbacks, are more definitive and, in many cases, parallel County and State building code requirements. It is the intention of this Review Process that all improvements comply with these standards.

The Ridgeview Valley design review process consists of four steps:

1. Consultation
2. Design review
3. Design re-submittal if needed
4. Construction monitoring

Any improvement of a Change will require and be preceded by the submission of plans and specifications describing the proposed improvements, accompanied by an application or re-submittal fee.

The RVARC is committed to assisting home owners through the design review process. The RVARC should be thought of as a member of the owner's design team as opposed to a regulatory review agency.

2. PURPOSE

These Guidelines are intended to:

1. Clearly define acceptable and non-acceptable design features for temporary or permanent construction of buildings and outbuildings in the planned community.
2. Clearly define acceptable and non-acceptable landscaping and property use to help preserve views, as well as the natural beauty and amenity of the planned community.
3. Encourage creativity while providing clarity around the style of architecture envisioned for this to be an attractive, environmentally friendly place to live.
4. Set standards for design and execution that will enhance and ensure the maintenance of the value of the entire property.

3. ARCHITECTURAL CHARACTER

The details, given in this document, are provided to indicate acceptable choices to purchasers of Ridgeview Valley lots. The examples given are only a few of many appropriate elements that may be used in creating a home. At Ridgeview Valley, understanding and drawing upon the regional building vernacular is important in

designing buildings that are expressions of the historic regional tradition and the mountain environment.

The region's architecture began with many of the natural elements that are found in the landscape - an abundance of stone, timbers and wood finishes, with details born of necessity and severe climate. This contextual architecture represents timeless refinement rather than fashion. It incorporates glass to capture the view and natural layer and steep roof-lines to lessen the snow impact, and expresses a harmony with the natural surroundings. This design philosophy can be seen in abundance throughout Garrett County.

4. SPECIFIC GUIDELINES FOR DESIGN ELEMENTS

A. Exterior Elevations

Elevations need to be consistent with the design intent of these Guidelines and the relationships of shapes need to be of proper scale and proportion, creating a harmonious appearance.

B. Roofs

All roof designs must be consistent with the design intent of the home in proportion, size and orientation.

◆ Acceptable:

- 1) Gables or hips with a minimum of 8/12 slopes, except as incidental for primary design.
- 2) Wood shakes, heavyweight composition fiberglass architectural shingles, or slate-look shingle.
- 3) Natural roof colors complementary to house plan
- 4) Copper roofing and metal roofing will be considered. Roof colors of dark green and blue-gray will be considered on a case-by-case basis by the **RVARC**.
- 5) Roof stacks, plumbing vents, and solar panels must be located in the least obtrusive area of the roof, and finished in a fashion that blends with the roofing surface.

◆ Unacceptable:

- 1) Flat roofs, standard or geodesic domes, bright or high chrome
- 2) Red, yellow or blue roofs.
- 3) Clay tiles, concrete tiles, thatch, gravel, single membrane roofs.

C. Above Grade Verandas, Porches, and Decks

Above-grade spaces, such as elevated decks, must be reviewed and approved with the architecture of the home and will be subject to all applicable Guidelines. Landscape screening or latticework may be required around deck construction. All vertical elements related to the construction of an above-grade deck shall have appropriate finishes that are complimentary to the house material. Decks and porches must be designed with careful consideration to all site planning issues, such

as storm drainage, lighting, structural integrity, screening while maintaining views and privacy

◆ **Acceptable:**

- 1) Decks higher than 24 inches and above grade are part of the building architecture and must be made of the same or similar materials, and detailed to blend with the home.
- 2) Porches or decks may be open or screened
- 3) Porches must be consistent with the architectural design of the main structure
- 4) The following materials are suitable for use:
 - a. Pressure treated wood
 - b. Cedar
 - c. Synthetic woods
 - d. Other exterior rated materials will be acceptable after review and approval on an individual basis

◆ **Unacceptable**

- 1) Decks above the highest interior floor level,
- 2) Roof decks (except as specifically approved by the RVARC)
- 3) Cross-bracing supported decks
- 4) Exposed steel/metal decks and concrete decks.

D. At Grade Patios, Decks and Terraces

At-grade patios, decks and terraces must be designed with careful consideration to all site planning issues, such as storm drainage, lighting, and maintenance of views and privacy.

◆ **Acceptable:**

- 1) Patios, terraces and sun rooms/solariums are permitted within the appropriate setback areas, and must be designed with close coordination to the home.
- 2) All patios and terraces must be approved by the RVARC prior to construction.
- 3) The following materials are suitable for use:
 - a. Brick or concrete pavers,
 - b. Cobble stones
 - c. Slate, cut stone
 - d. Concrete
 - e. Treated wood decking
 - f. Flagstone
 - g. Colored or stamped concrete

◆ **Unacceptable:**

- 1) Terrazzo
- 2) Exposed aggregate
- 3) Marble chip
- 4) Artificial turf and plastic

E. Exterior Stairs, Steps & Railings

All exterior stairs, steps, and railings must be designed with careful consideration of the manner they integrate with the design of the structure to which they are attached.

- ◆ Acceptable:
 - 1) Pressure treated wood
 - 2) Synthetic wood
 - 3) Wrought iron
 - 4) Aluminum with permanent finish (powder coat).
 - 5) Stainless steel cables
 - 6) Copper tubing
 - 7) Glass with any of the above
- ◆ Unacceptable:
 - 1) Bare metal
 - 2) Concrete
 - 3) Plywood

F. **Pools**

All swimming and bathing pools must be approved by the RVARC.

1. Indoor pools are allowed but must be approved as part of the overall design.
2. Outdoor pools must be in-ground only, placed in an unobtrusive location and approved by the RVARC prior to installation.
3. All pool equipment and materials must be placed in a screened service area, underground, or in a mechanical vault to baffle the noise and visually screen the equipment. All pool equipment storage enclosures shall relate architecturally to the the house ..
4. All pools, decking, and fencing shall meet Guidelines, as well as Garrett County and Maryland State codes.
5. Pool areas shall be screened with plantings and other natural materials, so as not to be visible from the street or other public areas.

G. **Hot Tubs and Spas**

All hot tubs and spas must be approved by the RVARC.

1. Spas and hot tubs must be placed in the least obtrusive area within the lot, and may require screening to minimize the invasion of privacy
2. Hot tub locations and screening must be approved with the house and site plan
3. Landscaping or lattice/wood fencing is acceptable screening
4. The location must be structurally suitable to receive the tub
5. The tub exterior must be of a natural color

H. **Foundations**

All foundations must be finished to final and natural grade.

- ◆ Acceptable:
 - 1) Use of natural or indigenous stone is strongly preferred.
 - 2) Masonry finishes will be considered such as:
 - a Split faced block
 - b Stucco finished in a natural color

- c Some synthetic stone
- ◆ Unacceptable:
 - 1) Exposed concrete, exposed concrete block, wood foundations, brick and applied aggregate
 - 2) The use of siding is not permitted on foundations unless used in a unique application

I. Fireplaces

As in many mountain, ski, and resort destinations, weather inversions can trap smoke and cause air pollution, especially in valleys. Therefore, only gas burning fireplaces are permitted.

J. Chimneys

All chimney designs must be consistent with the design intent of the home

- ◆ Acceptable:
 - 1) Exterior chimney material must be consistent with the materials used on the house.
 - 2) Chimney heights must be at least 30 inches above the highest point of any roof section that is within 10 feet of the chimney.
 - 3) Pre-fabricated fireplaces with metal flues are permitted. The metal flue shall not protrude more than three feet. Exposed metal flues shall be painted black or terra cotta.
 - 4) Vent system must have the proper termination kit installed as supplied by the fireplace company.
- ◆ Unacceptable:
 - 1) Metal piping or fireplace venting running horizontally more than twelve inches from an exterior wall.

K. Windows

All window designs must be consistent with the design intent of the home in proportion, size and placement.

- ◆ Acceptable:
 - 1) Wood frame vinyl clad windows with insulating glass.
 - 2) Color finished to blend with house color.
 - 3) Baked-on finishes or extruded aluminum
 - 4) Windows may be wood or clad, but all windows must have trim.
 - 5) Window light patterns must be appropriate to the style of the home.
- ◆ Unacceptable:
 - 1) All vinyl windows
 - 2) All single glazed units
 - 3) All natural metallic aluminum.

L. Dormers

The use of dormers is encouraged. All dormer designs must be consistent with the design intent of the home in proportion, size and placement.

- ◆ Acceptable:

- 1) Use of dormers is encouraged, provided they fit within the context of the style and design of the building.
 - 2) Dormers may have gabled, hip, or shed roofs and may have single or multiple windows.
 - 3) Scale and proportion of dormers is of utmost importance to the overall design.
 - 4) Dormer siding does not necessarily have to match the main body of the house, but must be in context.
- ◆ Unacceptable:
 - 1) Bubbles
 - 2) Domes
 - 3) Collapsing dormers
 - 4) Metal frames

M. Doors

Exterior doors, including garage doors, are an intricate part of determining the style of the home. All exterior doors designs must be consistent with the design intent of the home in proportion, size and placement.

- ◆ Acceptable:
 - 1) Entry from driveway, garage or carport is encouraged.
 - 2) If under roof, the main entry portico must be properly scaled to the rest of the house.
 - 3) Exterior entry door must be wood or fiberglass, and may include glass inserts.
 - 4) Main entry doors may be simple or complex, but must be appropriate to the style of the house.
 - 5) Transoms and sidelights are encouraged.
- ◆ Unacceptable:
 - 1) Generally, metal front doors are unacceptable. Some metal doors may be considered, but are not encouraged.

N. Standing & Running Trim, Soffit and Fascia.

Materials and finishes for standing & running trim, soffit and fascia must be consistent with those used in the design of the house.

- ◆ Acceptable:
 - 1) Materials suitable for use are cedar, cement fiber, synthetics
 - 2) All exposed trim must be painted or stained as in context with the rest of the house.
 - 3) Doors and windows must have 1-inch by 4-inch minimum surround casing.
- ◆ Unacceptable:
 - 1) Metal
 - 2) Aluminum
 - 3) Solid vinyl
 - 4) Framing lumber.

o. Siding

The use of different siding applications is encouraged. It is of utmost importance that the siding details fit contextually within the design content of the structure.

- ◆ Acceptable:
 - 1) Cedar lap
 - 2) Cement fiber-lap
 - 3) Cedar board and batten
 - 4) Cedar board on board
 - 5) Cement fiber-german
 - 6) Cement fiber board and batten
 - 7) Cedar shingles
 - 8) Cement fiber shingles
 - 9) Log or log siding
 - 10) Brick may be approved for use as an accent material
- ◆ Unacceptable:
 - 1) Aluminum
 - 2) Vinyl
 - 3) Hardboard
 - 4) Fiber board
 - 5) PVC
 - 6) Metal

P. Garages

Garages are strongly encouraged and their design and size should be appropriate to the style and main mass of the house.

- ◆ Acceptable:
 - 1) Garages should be attached to the main mass of the house.
 - 2) Garages must have a minimum size of 20 feet by 20 feet.
 - 3) Garages must have windows and doors appropriate to the design of the house.
- ◆ Unacceptable:
 - 1) Flush steel doors.

Q. Car Ports and Other Outdoor Structures

Covered car ports and other outdoor structures are allowed provided they are designed as an integral part of the architectural style of the house.

1. Any stored equipment, tools, bicycles, mowers, and the like must be permanently screened in an enclosed storage area or behind screened fencing.
2. All other outdoor structures, if not expressly addressed in these Guidelines, must be approved by the RVARC prior to installation and/or construction.

R. Mechanical Equipment

Air conditioning units, heating equipment, gas meters, electrical meters and cabinets, telecommunications facilities, and similar items shall be screened from adjacent lots and from community streets, walks, trails, and recreational facilities. Either plantings or a wood screen may be used to conceal this equipment. Prior to installation, the RVARC must approve all wood screens.

S. Fuel Tanks

All fuel tanks must be buried under ground.

5. LANDSCAPE DESIGN GUIDELINES

Each Ridgeview Valley home site has special existing characteristics, as well as planned or man-made features, which will help determine how the site must be planned and ultimately constructed. Careful attention to the natural elements, such as vegetation and soil composition, as well as adjacent homes, will all help determine the best arrangement of the site plan.

Careful examination of the site is required prior to planning and construction. Planning must be done in such a way as to minimize disruption of privacy of adjacent property owners, optimize conservation of natural resources and ensure appropriate drainage for each site. Owners are responsible for obtaining appropriate survey information for their home site. Homes, or any section thereof, as well as other site features and improvements, may not be located on or across the set back lines, unless otherwise identified or as requested as a variance. The design process should be tailored to generate the site and landscape plan, which will be required for submission to the RVARC

A. Tree preservation

Significant trees and vegetation may exist on the home site. It is to both you and your neighbor's advantage to attempt to retain significant trees and vegetation within the site as much as possible. If a lot does contain mature or desirable trees, reasonable efforts to save the trees shall be made. No tree over six inches in diameter four feet from the ground is to be removed without approval of the RVARC, except on building pads. Appropriate tree protection for existing trees shall be provided during home construction. Tree preservation will comply with the requirements outlined in the Construction Appendix to these Guidelines. Clear cutting of lots is not permitted.

B. Site Grading

Site grading should be kept to a minimum. Any grading necessary within the site should be done in a gradual manner. Site grading must maintain a natural appearance with smooth transitions between grades and graceful contours. A minimum pitch of 2% is required for all areas.

Large earthen berms are restricted in most instances, but exceptions may be made in special cases where screening is necessary or the feature is required for engineering purposes. Site grading should be planned in concert with the Ridgeview Valley overall drainage master plan. Grading should avoid channeling or ditching, as much as possible. All water should be directed or distributed in a fashion that does not accelerate erosion and avoids unnecessary water distribution on adjacent property.

Typically, the area impacted by site clearing and building improvements shall not exceed 50% of the total lot size, unless an exception is specifically granted by the RVARC.

C. Planting Design

The planting design shall complement the architecture of the house and the supporting structures.

- ◆ Acceptable:
 - 1) Each lot must be landscaped to the approved plan within one year of construction completion.
 - 2) The neighborhood street-scape is designed to enhance the appearance of the village feel of Ridgeview Valley. Rather than each home site appearing as a separate entity, all the homes should become part of the overall landscape experience. Landscape designs for both shrubs and sod along side yards should be coordinated between neighboring lots to help blend and create a cohesive landscape treatment between yards.
 - 3) Trees shall not be planted in a regimented manner or at a consistent distance from each other. Rather, they should be planted in natural groupings and at irregular intervals
 - 4) The planting of large trees near buildings to provide shade is encouraged.
 - 5) Plant beds shall be laid out to flow between adjacent lots
 - 6) Long curvilinear bed edges are encouraged to visually unify the street-scapes and simplify mowing.
 - 7) All bed layouts shall be approved by the RVARC prior to installation as part of the landscape plan
- ◆ Other Additional Guidelines:
 - 1) Unique plantings, such as vegetable gardens and garden terraces, shall be placed in the least obtrusive portions of the lot and screened to prevent view from adjacent lots.
 - 2) Side property lines must not be articulated by single rows of plants or hedges that form a barrier.

6. EXTERIOR FEATURES AND DETAILS

The beauty and character of a successful community is in the details. The general intention of the exterior features and detailed design Guidelines is to suggest that all elements work together in a cohesive and unified plan.

A. Driveways

Driveways are an extension of the home and, therefore, should be purposely designed and constructed with respect to the style and architecture of the home.

- ◆ Acceptable:
 - 1) The width of the driveway should be a maximum of 15 feet within a minimum distance of 10 feet of the curb or edge of pavement..
 - 2) Driveways shall not be closer than 30 feet to the right-of-way of intersecting streets, except by approval.

- 3) County regulations demand adequate parking for the intended use of the home. All homes must meet county regulations.
 - 4) The following driveway surfaces are approved for all home sites:
 - a Permeable brick or concrete pavers
 - b Architectural crushed gravels with paver band
 - c Concrete or asphalt (surface treatment recommended)
 - d Cobble stone
 - e Tar and Chip
 - f Colored or stamped concrete
- ◆ Unacceptable:
- 1) Driveway surfaces
 - a Exposed aggregate
 - b Gravel

B. Walkways

Walkways must be designed to coordinate with those of the neighborhood.

- ◆ Acceptable:
- 1) The RVARC may limit the types of materials or color ranges used in successive homes along the same street to prevent an overly busy appearance.
 - 2) All homes shall have a lead walk connecting the front door of the home to the driveway.
 - 3) Similar to driveways, walkways are extensions of the building environment and shall be intentionally detailed, using the following materials:
 - 4) Permeable brick or concrete pavers
 - 5) Concrete grass pavers
 - 6) Asphalt with surface treatment
 - a Cobble stone
 - b Colored or stamped concrete
 - c Other materials will be considered by the RVARC
- ◆ Unacceptable surface treatments:
- 1) Exposed aggregate
 - 2) Mulch

C. Fencing

Fencing is not permitted, except by special exception.

D. Signs

All signs (real estate, rental, personal, etc.) must be approved by the RVARC for Ridgeview Valley. See Rule & Regulation #2006-06 for details.

E. Mailboxes

No individual mailboxes are allowed in Ridgeview Valley. The Ridgeview Valley Master Homeowners Association will install group mailboxes on an as needed basis

F. Landscape and Retaining Walls.

Landscape and retaining walls may be used for structural and aesthetic purposes.

◆ Acceptable:

- 1) Landscape and retaining walls are often used as planters, retaining walls, and garden terraces, walls they can help organize areas within the lot, where appropriate.
- 2) Retaining walls may be used when it is necessary to preserve vegetation or when they are incorporated into the architecture of the house.
- 3) Approved materials are
 - a. Natural stone
 - b. Treated wood
 - c. Versalok blocks

◆ Unacceptable:

- 1) Unfinished masonry

G. Outdoor Lighting

Accent, area and landscape lighting are all subject to approval by the RVARC. Lighting should complement the style of the house and lighting locations must be marked on the plans submitted.

1. All lighting must conceal the source and not negatively impact the adjacent properties. Light pollution should be minimized as much as possible while still providing enough light for safety.
2. Walkway lighting should be low voltage and no more than 24 inches from the ground.

7. OUTDOOR AREAS AND STRUCTURES

This section describes guidelines for items that are not described elsewhere in these Guidelines.

1. Trellises, gazebos, arbors, columns, and gateways, used within the landscape, shall be complementary to the style and architecture of the home and surrounding structures.
2. Small satellite dishes not exceeding 18 inches in diameter shall be permitted, and shall be permanently mounted on the house or other structure. However, the dish should be placed in a position so as to be as inconspicuous as possible.
3. Sculptures, fountains, statues, and any other yard ornamentation must be approved as part of the landscape plan with sketch or picture.
4. Ponds are subject to approval and Garrett County safety codes.
5. Outdoor cooking is permitted. Cooking equipment must be located in such a way that it does not cause damage or danger or inconvenience to the neighborhood.
6. Gas outdoor fire pits or fireplaces are permitted. Wood burning fire pits or fire places will be permitted but their use can be restricted by Ridgeview Valley Master Homeowners Association, Inc.
7. Outdoor play structures, including swings, climbing structures, slides, or similar commercially available or custom constructed elements must be located unobtrusively. All equipment shall blend in with the surrounding natural

- environment or architecture. The use of bright colors or elaborate designs is discouraged. RVARC approval is required before installation of such play equipment.
8. Playhouses are considered outbuildings and must fit contextually and must be approved with the site plan.
 9. Tree houses are not permitted
 10. Wire fenced dog runs and pens are not permitted. Residents shall comply with all Garrett County regulations concerning pet licenses and ordinances, such as leash laws. Doghouses may be located in a place as inconspicuous as possible and may be permissible, as approved by the RVARC. Use of invisible fencing is strongly encouraged as a means to contain pets.
 11. Temporary, open-air, storage of unlicensed vehicles, boats, trailers, all-terrain vehicles, motor homes, campers, or other recreational vehicles is only permitted in those areas approved by the RVARC. For long terms, residents must store such equipment off-site.
 12. All outdoor clothes-lines are prohibited
 13. All other outdoor structures, if not expressly addressed above, must be approved by the RVARC prior to installation and/or construction.

The above Guidelines were read and approved, and as amended, by the Board of the Ridgeview Valley Master Homeowners Association.

Date of Adoption: _____ 29 Sept 2006 _____

Date Signed: _____ 20 Nov 2006 _____

Signature: _____  _____
 (President, Ridgeview Valley Master Homeowners Association, Inc.)

#



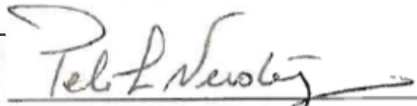
Ridgeview Valley Home Owners Association List of Documents

The list below comprises the HOA document set for Ridgeview Valley. The first three documents are part of the MHA1 disclosure document. Item (4) is a copy of the filing with the State of Maryland. Item (5) is recorded in the Land Records of Garrett County. All others are in the Depository located at the Garrett County's Clerk of the Court office in Oakland, MD.

1. **Ridgeview Valley, LLC Members (RV01, part of MHA1)**
2. **Ridgeview Valley Description (RV02, part of MHA1)**
3. **Ridgeview Valley Maintenance Requirements (RV03, part of MHA1)**
4. **Articles of Incorporation of Ridgeview Valley Master Homeowners Association, Inc. (RV04)**
5. **Declaration of Covenants, Conditions, and Restrictions of Ridgeview Valley Master Homeowners Association, Inc. (RV05)**
6. **Bylaws of Ridgeview Valley Master Homeowners Association, Inc. (RV06)**
7. **Architectural Design Guidelines for Ridgeview Valley (RV07)**

The following are Rules and Regulations:

8. **2006 - 001: Process for Creation and Adaption of Rules and Regulations (RV08)**
9. **2006 - 002: Architectural Review and Building Construction Process for single Family Residence Lots (RV09)**
10. **2006 - 003: Board of Directors Conflict if Interest Issues (RV10)**
11. **2006 - 004: Complaint Procedures (RV11)**
12. **2006 - 005: Collection of Unpaid Assessment (RV12)**



Peter L. Versteegen
(President, Ridgeview Valley Master Homeowners Association, Inc)

Date

11/22/06

Rule and Regulation No. 2006 - 001

**Process for Creation and Adoption of
Rules and Regulations**

of the

Ridgeview Valley Master Homeowners Association, Inc.

RVMHA, Inc
912 Gravelly Run Road
McHenry, MD 21541

November 2006

(RV08)

The following procedure is in accordance with Article V Section 2 of the Articles of Incorporation of Ridgeview Valley Master Homeowners Association, Inc. which grant the Association the power to adopt and enforce rules and regulations applicable within the Ridgeview Valley Development.

Ridgeview Valley Master Homeowners Association, Inc.

Rule and Regulation No. 2006 - 001

Process for Creation and Adoption of Rules and Regulations

For the Ridgeview Valley Masters Homeowners Association, Inc. ("RVMHA") to effectively exercise the power to establish, maintain and enforce all necessary and reasonable rules and regulations, a process is needed to identify, define and administer certain aspects of that business.

Let it be resolved that the RVMHA establishes the following procedure for the creation and adoption of rules and regulations governing Ridgeview Valley:

1. Definitions

See Article I of the Declaration of Covenants, Conditions and Restrictions for Ridgeview Valley Planned Residential Development for the definitions of the following terms: Articles, Board, Declaration, Member, RVMHA

2 Proposal of Rules and Regulations

The Board or a Member(s) of the RVMHA may submit a proposed rule and regulation at a meeting of the Board, either in writing or by oral request, which subsequently will be drafted in writing.

3 Publication and Review

Once a proposed rule and regulation has been drafted in writing, it will be posted on the Ridgeview Valley website to provide notice and invite input from RVMHA members. It will also be distributed to RVMHA members, either by U.S. Mail to their physical address within Ridgeview Valley or to an alternative address, provided in writing by the member, or by electronic mail.

4 Approval and Implementation

Thirty (30) or more days after the proposed rule and regulation has been posted on the Ridgeview Valley website, the Board may vote to either approve or disapprove the proposed rule & regulation, either at a regular board meeting or at a special meeting at which a quorum of Directors is present. Notice will be provided to RVMHA members of the date and time for Board action on a proposed rule and regulation and members may attend and provide input.

After considering input from RVHA members, the Board may elect to revise the proposed rule and regulation and, if revised, notice of any revision to the proposed rule and regulation will be republished, as provided herein.

Rule and Regulation No. 2006 - 001
Process for Creation and Adoption of Rules and Regulations

If the published rule and regulation is approved by a majority of the Board, and a disapproval by a majority vote of all RVMHA members has not occurred, the rule and regulation will be adopted and will be distributed in final form to RVMHA members. In addition, it will be posted on the Ridgeview Valley website. The Board will maintain a compilation of the adopted rules and regulations.

The rules and regulations will be enforceable by the Board in accordance with the Declaration and the Articles.


5. Accepted Format

All finally approved rules & regulations shall essentially conform to the format that this present Rule is written.

The above Regulation was read and approved as amended by the Board of Directors of Ridgeview Valley Masters Homeowners Association, Inc.

Date of Adoption: 29 Sept 2006

Date Signed: 20 Nov 2006

Signature: 

(President, Ridgeview Valley Master Homeowners Association, Inc)

#

Rule and Regulation No. 2006 - 002

**Architectural Review and
Building Construction Process for
Lot Numbers 1 through 167**

of the

Ridgeview Valley Master Homeowners Association, Inc.

RVMHA, Inc
912 Gravelly Run Road
McHenry, MD 21541

November 2006

(RV09)

**Architectural Review and Building Construction Process for Lot Numbers 1
through 167**

The following procedure is in accordance with Article V Section 2 of the Articles of Incorporation of Ridgeview Valley Master Homeowners Association, Inc. which grant the Association the power to adopt and enforce rules and regulations applicable within the Ridgeview Valley Development.

Ridgeview Valley Master Homeowners Association, Inc.

Rule and Regulation No. 2006 - 002

**Architectural Review and Building Construction Process for Lot Numbers 1
through 167**

These Rules, Regulations and Standards, promulgated by the Ridgeview Valley Architectural Review Committee ("RVARC"), apply to all single family lots within the Ridgeview Valley development.

1. DEFINITIONS

1.1. Declaration

Declaration means the Declaration of Covenants, Conditions and Restrictions (CC&Rs) of the Ridgeview Valley Master Homeowners Association, Inc., Garrett County, MD, Dated September 15, 2006, and recorded in the Land Records of Garrett County, in Liber 1250, Folio 0116.

1.2. RVARC

RVARC means the Ridgeview Valley Architectural Review Committee described in Section 6.1 of the Declaration.

1.3. Change

Change the Condition of Property means installation, erection, construction, placement, alteration, modification or amendment of any building, structure or improvement within, upon, under or above the owner's property, including:

- i) The construction of all new buildings;
- ii) The renovation, expansion, or refinishing of the exterior of an existing building;
- iii) Major site improvements (including driveways, and culverts);
- iv) Construction of, or additions to, fences, enclosures or landscaping;
- v) Installation of swimming pools, play equipment, basketball hoops etc.
- vi) New landscaping and major changes in existing landscaping

Architectural Review and Building Construction Process for Lot Numbers 1 through 167

- 1.4. The definitions of "Declarant", "Board", "Guidelines", and "Owner" can be found in Article I of the above referenced Declaration.

2 ARCHITECTURAL DESIGN REVIEW

2.1. Approval of Change Requirement

No Change shall be made or permitted, unless authorized by the RVARC, acting on behalf of the Declarant and the Board.

2.2. Objectives of Architectural Review

Decisions approving or disapproving any application required herein shall be made for the mutual benefit and protection of owners of lots in the subdivision, upon consideration of the Objectives of Architectural Review, including:

- i) To carry out the purposes and objectives of the Declaration;
- ii) To prevent violation of any specific provision of the Declaration;
- iii) To protect property values;
- iv) To prevent any change which would be unsafe or hazardous to any person or property;
- v) To minimize obstruction or diminution of the view of others;
- vi) To preserve natural appearance and vegetation to the extent possible;
- vii) To assure good and attractive design in any change to the condition of property;
- viii) To assure any change in condition of the property is compatible with other features of the development;
- ix) To assure any change in condition of property is in harmony with the natural setting of Ridgeview Valley;
- x) To assure the quality of materials and workmanship;
- xi) To assure maintenance of property, including selection of materials appropriate to the conditions of the area;
- xii) To promote water conservation;
- xiii) To encourage use of natural vegetation in landscaping;

xiv) To assure compatibility between adjacent or neighboring lots.

3. APPLICATION

3.1. Application Required

Prior to any Change, the person proposing to make such Change (the "Applicant") shall submit such information as reasonably necessary for review of the Change, including but not limited to surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications and samples of materials and colors showing the nature, kind, shape, height, width, color, materials, and location of the proposed change.

3.2. Contents of the Application

A complete application shall include, at minimum:

1. A written request, stating:
 - i) Name of applicant;
 - ii) Current address, phone and, where applicable, email address and fax number of applicant;
 - iii) Identification, where applicable, of architect, engineer, project manager, builder and contractor;
 - iv) Identification, by lot number and street address, of the property subject of the Change;
 - v) Brief description of project to be reviewed.
2. Site Plan
The site plan must be at an appropriate scale (1" = 10') and must show location of building, building envelope, setback dimensions, other structures, if any, driveway and parking area.
3. Engineered Foundation Design,
The foundation location shall be prepared by a qualified registered professional engineer.
4. Grading Plan and Drainage Plan
The grading and drainage plan shall include:
 - i) A sketch showing final contours, flow and manner of subsurface and surface drainage;

Architectural Review and Building Construction Process for Lot Numbers 1 through 167

- ii) The location of driveway culvert so as to maintain drainage adjacent roadways;
- iii) Plans and specifications for treatment of drainage from garage floor drain, if any.

5. Architectural Drawings, Plans, Specifications.

The architectural drawings, plans and specifications shall including, at minimum:

- i) Finish and natural grade elevations
- ii) Floor plans showing overall dimensions, at a scale of no less than 1/4" = 1'.
- iii) Roof plans showing pitch, at a scale of no less than 1/4" = 1'.
- iv) Location indicating the highest ridge of the roof.
- v) Exterior elevations showing doors and windows

6. Exterior Materials Description,

The exterior materials description shall include at minimum:

- i) Exterior materials and colors;
- ii) Roof materials and color.
- iii) Samples of all exterior materials, colors, and finishes.

7. Landscaping Plan.

A perspective sketch of the various structures and plants.

8. Other

Such other information as the RVARC shall reasonably require to evaluate the Application. Such request for additional information shall be in writing and shall specify the information requested.

3.3. Number of Copies

The Application shall include three (3) complete sets of plans and specifications, signed by the owner and architect, if any. One approved set shall be maintained at the site during construction.

3.4. Fees

- i) The fee for processing the initial application is \$175
- ii) The fee for each reprocessing of an lapsed application is \$125
- iii) The impact fee for the general repair of construction impact to common areas is \$400

4 REVIEW, APPROVAL, DISAPPROVAL OR PARTIAL APPROVAL OF APPLICATION

4.1. RVARC Meetings

The RVARC shall meet, as necessary and in a timely manner, to review, approve or disapprove applications for Change.

4.2. Applicant/RVARC Meeting

The Applicant shall be given the opportunity to meet with the RVARC at a time of mutual convenience to discuss the Application.

4.3. Preliminary Review

Prior to submission of a complete Application, a prospective Applicant may request a preliminary review by the RVARC, and may request an informal meeting with the RVARC to review preliminary drawings, sketches, conceptual designs or ideas. The RVARC may provide informal and non-binding guidance and opinion(s) as to any matter so reviewed.

4.4. Written Approval, Disapproval or Partial Approval

A decision to Approve, Disapprove, or Partially Approve an Application shall be in writing, and shall specify the effective date of the decision. Such written decision shall be mailed to the Applicant at the address provided in the Application. A decision to Disapprove or to Partially Approve an Application shall specify the reasons for the decision.

4.5. Time for Required Decision

Such written decision to Approve, Disapprove or Partially Approve an Application shall be made within 60 days, and shall be mailed to the Applicant in an expedient manner after receipt by the RVARC of a Complete Application containing all information reasonably requested by the RVARC.

4.6. Resubmittal of Plans

In the event that final submittals are not approved by the RVARC, the owner must re-submit only those changes made in response to the issues raised by the RVARC.

5 EXPERT, ADVISORY OPINION(S)

The RVARC may seek advisory opinions, and may employ experts, including but not limited to architects and engineers, where reasonably necessary, to assist in the review of an Application. If the RVARC determines such expert assistance is necessary or de-

Architectural Review and Building Construction Process for Lot Numbers 1 through 167

irable, the RVARC shall inform Applicant in advance and shall explain the reason for such decision. Reasonable costs of such review may be charged to the Applicant.

6. COMPLETION OF WORK

After having secured final design approval from the RVARC the following is required:

- i) Construction shall start within six (6) months from obtaining final approval.
- ii) Work shall be substantially completed within one (1) year of the date of start of construction, unless an exception is granted in writing by the RVARC.
- iii) In the event construction is not started within the aforesaid period, then approval of the plans and specifications shall be deemed to have lapsed and new approval from the RVARC must be required.
- iv) If work on an improvement is initiated and then abandoned for more than 90 days or if construction is not completed within the required one year period, the RVARC may impose a fine of \$100 per day (or such other reasonable amount as the RVARC may determine) to be charged against the owner of the lot until construction is resumed or completed, as applicable, unless the owner can prove to the satisfaction of the RVARC that such abandonment is for circumstances beyond the owner's control.
- v) Improvements shall be completed in conformance with plans, specifications and other materials presented with the Application.
- vi) Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the RVARC to disapprove such plans and specifications, or any elements or features thereof, when such plans and specifications are subsequently submitted for use in any other instance.
- vii) The owner shall apply for all applicable building permits from Garrett County and the State of Maryland, as well as any other agencies, after receiving design approval from the RVARC.
- viii) Plans submitted to Garrett County authorities must be consistent with plans approved by the RVARC. If the plans submitted to Garrett County authorities differ from plans approved by the RVARC, the RVARC approval shall be deemed automatically revoked.

7. STANDARDS, REQUIREMENTS

- 7.1. Structures Newly Constructed.

Architectural Review and Building Construction Process for Lot Numbers 1 through 167

All construction shall be new construction and no previously erected building, structure or improvement shall be moved and set upon any lot from any other location, unless approved by the RVARC.

7.2. Structures Constructed On Site

- i) The structure shall be built on site. Prefabricated component parts may be used in construction with RVARC approval. Trailers and mobile homes are prohibited.
- ii) No structure shall be placed or erected which is, or ever has been, or could be made the subject of a specific ownership tax, nor shall structures constructed in the fashion and manner as trailers be allowed.
- iii) Dog houses must be approved by the RVARC.

7.3. Minimum Living Space

- i) Each single-family unit shall have a minimum conditioned living space of 1,800 sq. ft.
- ii) All measurements shall be on outside foundation walls, not including open porches, garages or common elements.

7.4. Building Materials, Exterior Finish

- i) All structures shall be constructed of either stone, lumber or a combination thereof. Use of composite exterior materials will be considered and may be approved by the RVARC. The use of cinder blocks shall not be allowed unless faced with another material approved by the RVARC.
- ii) The use of fire retardant and fire resistant materials, including exterior finish materials, is strongly encouraged.
- iii) Exterior finishes shall be of natural earth tones or native exterior materials, or such color or combination of colors as shall be approved by the Architectural Control Committee.

7.5. Placement and Orientation of Structure

Structures and improvements shall be placed and oriented to maximize compatibility with adjacent or neighboring homes, including preservation of privacy, views, drainage and the utility of each lot.

7.6. Drainage

Architectural Review and Building Construction Process for Lot Numbers 1 through 167

- i) No structures shall be placed or located on any Lot in such manner that will obstruct, divert or otherwise alter the natural water drainage courses and patterns, unless approved by the RVARC. Likewise, no landscaping or changes to the existing terrain shall be made which shall obstruct, divert or otherwise alter such drainage unless approved by the RVARC.
- ii) Roadside drainage channels shall be preserved so that flows within the channels are unimpeded. Each lot owner shall place a properly sized culvert in the roadside drainage channel at the point or points of access to the lot. The culvert shall consist of ADS N12 pipe (High Density Polyethylene) with headwalls or flared end sections installed on the upstream and downstream ends. Each lot owner is responsible for maintaining the culvert, to ensure proper drainage.
- iii) No floor drain shall be connected to the municipal sewer system. Treatment of drainage from any such garage floor drain is subject to approval of RVARC, or no such drain shall be constructed.
- iv) No drainage system may be constructed to convey surface drainage to the municipal sewer system, including drainage from roofs, gutters, foundations or yard area(s).
- v) Private wells and individual septic systems are prohibited.

8. SETBACK AND HEIGHT REQUIREMENTS

8.1. Structures shall be within allowable setbacks, as provided by the chart below.

Front setback	40 feet minimum from property line to buildable area
Rear Setback	40 feet minimum from property line to buildable area
Side Setbacks	15 feet minimum from property line to buildable area
Street access	15 feet maximum width
Buildable area 1. Garage zone 2. Porch zone 3. Terraces and decks	1. Garages shall be within the set backs outlined above. 2. Attached porches must be within the set backs described above. 3. The remaining areas left within the set backs after construction of the main mass, porches and garages is left for terraces and decks.
Outbuildings	Allowed by special exception only

Rule and Regulation No. 2006 - 002
**Architectural Review and Building Construction Process for Lot Numbers 1
through 167**

Site considerations	Special consideration must be given to the placement of buildings for significant trees and root structure.
---------------------	---

8.2. Building Height.

- i) The maximum building height shall not exceed 50 feet from grade.
- ii) The building height shall be that distance measured vertically, from the undisturbed or natural ground surface at the mid-point between the front and rear walls of a building to the top of a flat roof or mansard roof or to the mid-point between the eave line and the peak of a gable, hip, shed or similar pitched roof.

9. LIGHTING

- i) All exterior lighting shall be the minimum necessary and prevent glare on adjacent properties.
- ii) All such exterior lighting shall be shielded so the lighting element is not visible from the property boundary.
- iii) Christmas lights (temporary or permanent) must be white in color and non-flashing.

10. WILDLIFE PROTECTION

- i) Pets shall be confined within the owner's property boundaries, unless on a leash and under control by the owner.
- ii) All trash and recycling containers must be stored within the individual homes in covered enclosures prior to being taken to the onsite trash compactor locations nearby. No trash containers may be left outside overnight.

11. FIREPLACES

- i) No open or closed hearth, solid fuel fireplaces are allowed.
- ii) All units shall be allowed an unrestricted number of gas burning stoves and appliances.

12. WATER/SEWER CONNECTIONS

- i) Water and sewer lines shall be properly connected to the services provided by the Garrett County Department of Public Utilities.
- ii) Each household shall have a water meter which shall be provided by the Garrett County Department of Public Utilities.
- iii) Each household shall install a pressure reducing valve in accordance to the rules and regulations specified by the the Garrett County Department of Public Utilities.

13. LANDSCAPING

- i) Landscaping shall be designed to blend with and complement the natural vegetation of the adjacent commons area. Use of natural vegetation is encouraged.
- ii) Landscaping of each lot shall be designed to encourage water conservation and minimize water consumption.
- iii) Irrigated lawns shall be minimized.

14. VARIANCES

- i) As provided in Section 6.01 of the Declaration, the RVARC may grant variances from the strict application of Articles VI (Architectural Control) and VII (Use Restrictions) upon determination that no nuisance, impairment of view or adverse effect results to any other property owner.
- ii) As provided in Section 6.01 of the Declaration, the RVARC may grant a variance to setback requirements where necessary or desirable, based on consideration of lot size, terrain, drainage, view plane and design features, and local zoning laws.
- iii) The RVARC may grant variances from compliance with these regulations and standards where the RVARC determines that site conditions such as natural obstructions, hardship, aesthetic or environmental considerations warrant such a variance.
- iv) Request for such variance shall be made by the Applicant in writing, and such request shall specify the variance requested and the grounds therefor.

Architectural Review and Building Construction Process for Lot Numbers 1 through 167

- v) No such variance shall be granted unless all owners within a radius of 200 feet from the site of the proposed variance shall either consent in writing, or shall be given an opportunity for hearing before the RVARC of not less than ten days written notice delivered to said owners or to their premises, or mailed to their last known address by Certified Mail.
- vi) The RVARC may require submittal of such additional information and supporting documentation as it deems necessary.
- vii) A decision to approve or deny a variance shall be written, shall specify the variance, if approved, and may include such terms and conditions as the RVARC deems necessary and desirable.

15. MONITORING AND ENFORCEMENT

15.1 . Inspection

The RVARC, or representative designated by the RVARC, may inspect work in progress and to ensure compliance with approved design documents. If changes or alterations are found that have not been approved, the RVARC will issue a "Notice of Non-compliance".

15.2. Notice to Comply

When, as a result of a construction observation, the RVARC finds changes and/or alterations that have not been approved, the RVARC will issue a "Stop Work Order" and a notice to comply in a timely manner. The RVARC will describe the specific instances of non-compliance and will require the owner to comply or resolve the discrepancies before work continues.

15.3. Notice of Compliance

The owner will provide the RVARC with a written statement of "Construction Completion" upon completion of all work on any improvements that were given design approval by the RVARC. The RVARC will make a final inspection of the property and will issue a written "Notice of Compliance" in a timely manner. If it is found that the work was not done in compliance with the approved design documents, the RVARC will issue a Notice to Comply.

15.4. Inspections Not Performed

Absence of inspection and notification during the construction period does not constitute either approval by RVARC of work in progress or a determination that the project is in compliance with the Guidelines.

15.5. Garrett County, State of Maryland, and other Agencies Approvals

The owner shall apply for all applicable building permits from Garrett County and the State of Maryland, as well as any other agencies, after receiving design approval from the RVARC. Any adjustments to RVARC-approved plans required by Garrett County must be resubmitted to the RVARC for review (at no fee) and approval prior to the start of construction. The issuance of any approvals by the RVARC implies no corresponding compliance with the legally required demands of other agencies.

15.6. Enforcement and Remedies.

Rights of enforcement and remedies for noncompliance shall be as provided in the Declaration, Section 6.02, and in accordance with all other rights and remedies provided by law.

15.7. Right of Waiver

The RVARC recognizes that each lot has its own characteristics and that each owner has their own individual needs and desires. For this reason, the RVARC has the authority to approve deviations from any of the Guidelines. It should be understood, however, that any request to deviate from these Guidelines will be evaluated at the sole discretion of the RVARC, and that the approval of deviations will be limited to only the most creative design solutions to unique situations. Prior to the RVARC approving any deviation from the Guidelines, it must be demonstrated that the proposal is consistent with the overall objectives of the Guidelines and that the deviation will not adversely affect adjoining parcels or the Ridgeview Valley community as a whole.

The RVARC also reserves the right to waive any of the procedural steps outlined in this document, provided that the owner demonstrates there is good cause.

16. CONSTRUCTION PERIOD

16.1. General Requirements

During construction of any structure or improvement, the lot owner and contractor are responsible for conducting work so as to minimize hazards, offsite impacts and inconvenience to other residents of the subdivision.

16.2. Construction and Builder Regulations

All builders, contractors, and sub-contractors shall be duly licensed by the State of Maryland and Garrett County for the work that they are to perform.

16.3. Storage of Materials and Equipment

Rule and Regulation No. 2006 - 002
**Architectural Review and Building Construction Process for Lot Numbers 1
through 167**

All construction materials, equipment, and vehicles should be stored within the boundaries of the construction area. Equipment and machinery should be stored on-site only while necessary.

16.4. Construction Activity Times

The time of construction will be limited to the period from 6:30 AM until 6:00 PM, Monday through Friday, and 7:00 AM until 5:00 PM on Saturday. No construction operations are permitted on Sundays or major holidays. Essentially quiet activities that do not involve heavy equipment or machinery may occur at other times.

16.5. Construction Trailers and Temporary Structures

Any owner or builder may bring a construction trailer or the like to Ridgeview Valley. The trailer must be placed in the best possible location to minimize impact to the site and adjacent parcel owners. All trailers must be removed upon the issuance of the "Use and Occupancy" permit. Temporary living quarters for the owner, builder, or their employees on the lot will not be permitted.

16.6. Sanitary Facilities

Sanitary facilities must be provided for construction personnel on-site in a location within the construction area. Such facilities must be cleaned and maintained weekly.

16.7. Trash and Debris

Contractors must clean up all trash and debris on the construction site. Trash and debris needs to be picked up and disposed of in a proper container. When container is full, contents are to be taken to an authorized disposal site. Lightweight material, packaging, and other items must be covered or weighted down to prevent wind from blowing such materials off the construction site. Contractors are prohibited from dumping, burying, or burning trash anywhere on the lot or at Ridgeview Valley except in areas, if any, expressly designated by the RVARC. During the construction period, each construction site must be kept clean and neat to prevent it from becoming a public eyesore or affecting adjacent lots. Any clean up costs incurred by the RVARC in enforcing these requirements will be billed to the lot owner.

16.8. Hazardous Waste Management

The owner and/or builder shall be responsible for complying with all laws and regulations regarding the handling and disposal of hazardous waste material.

16.9. Culvert Installation

Culverts, or other temporary measures approved by the RVARC, shall be installed prior to commencement of construction activity to protect drainage and wetland areas. These

Rule and Regulation No. 2006 - 002

**Architectural Review and Building Construction Process for Lot Numbers 1
through 167**

may be temporary culverts, with permanent culverts, as required by Section 7.6.2, to be installed prior to driveway construction.

16.10. Vehicles, Trailers, Equipment

Vehicles, trailers and construction equipment, shall be parked, operated, maintained or otherwise situated to prevent hazards, obstruction of traffic, and damage to offsite areas, including roadways and drainage swales.

16.11. Damage Repair and Restoration

Damage and scarring to other property, including open space, adjacent parcels, roads, driveways, and other improvements will not be permitted. If any damage does occur, it must be repaired and/or restored promptly at the expense of the person causing the damage or the owner of the parcel.

Upon completion of construction, each owner and builder is responsible for clearing up the construction site and for the repair of all property that was damaged, including but not limited to restoring grades, planting shrubs and trees as approved or required by the RVARC, and repair of streets, driveways, pathways, drains, culverts, ditches, signs, lighting, and fencing.

If the Contractor crosses into protected areas, such as designed open space or wetlands, the contractor shall to the RVARC's satisfaction:

- i) Revegetate the area disturbed immediately and maintain said vegetation
- ii) Pay any fines imposed by any governmental agency, including but not limited to the State of Maryland, Garrett County, or the Army Corps of Engineers.

Any property repair costs incurred by the RVARC will be billed to the owner

16.12. Construction Signs

Temporary construction signage will be limited to one sign per home site. The sign must be the approved signage for Ridgeview Valley and will be installed at the builder's expense and removed within three days of the issuance of the occupancy permit.

16.13. Noise, Dust, Trash, Unsightliness

Noise, dust, accumulation of trash and unsightliness shall be minimized.

16.14. Builder Etiquette

16.14.1. Job Sites

- i) Job Sites are to be kept clean and organized in a professional manner.

Architectural Review and Building Construction Process for Lot Numbers 1 through 167

- i) Construction debris needs to be picked up and disposed of in accordance to Section 16.7.
- iii) No burning or burying of any construction debris will be allowed.
- ii) Special care should be taken with any food debris to make sure it is disposed of properly as to not attract wild animals to the site.
- iv) All construction materials need to be stored in a neat and orderly fashion.
- v) Construction equipment including trailers are to be stored on site in a fashion as to not infringe or disrupt neighboring properties.
- vi) All equipment and trailers must be parked on the job site and not in the street or common right-of-ways.
- vii) Job site parking areas shall be maintained with gravel so that no mud or debris accumulates on paved streets or right-of-ways.

16.14.2. Workman Conduct

- i) Workmen are to conduct themselves in a manner that is not offensive to the neighboring community. Vulgar acts and language will not be tolerated. Loud music will not be tolerated.
- ii) Workers are not to arrive on the job site any earlier than one-half hour before their starting time and leave the job site no later than one-half hour after the completion of their shift.
- iii) No alcoholic beverages, drugs, or firearms in any form will be tolerated in the Ridgeview Valley Community by any workers.
- iv) Vehicles normally used for daily transportation are not allowed to stay on job site overnight, other than vehicles that would normally be used to store supplies.
- v) Upon entering or leaving the Ridgeview Valley property, workman must obey all local speed limits. The speed limit on the main roads is 35 mph, while on side roads its 25 mph.

16.14.3. Site Conditions

- i) Contractor is responsible for snow removal from site. No snow is to be pushed along or into streets.
- ii) Materials and supplies need to be delivered and unloaded as to not block roadways, common areas and right-of-ways.

Rule and Regulation No. 2006 - 002
**Architectural Review and Building Construction Process for Lot Numbers 1
through 167**

- i) All work must be performed in accordance with MOSHA and OSHA rules and regulations.

Any workman conduct violations that require correction by the RVARC will be performed at the expenses of the lot owner.

17. DECLARATION CONTROLLING

In the event of any conflict between these rules and regulations and the provisions of the Declaration, the Declaration shall control.

The above Regulation was read and approved as amended by the Board of Directors of the Ridgeview Valley Masters Homeowners Association, Inc.

Date of Adoption: 29 Sept 2006

Date Signed: 20 NOV 2006

Signature: 
(President, Ridgeview Valley Master Homeowners Association, Inc.)

#

Rule and Regulation No. 2006 - 003

**Board of Directors Conflict of
Interest Issues**

of the

Ridgeview Valley Master Homeowners Association, Inc.

RVMHA, Inc
912 Gravelly Run Road
McHenry, MD 21541

November 2006

(RV10)

Board of Directors Conflict of Interest Issues

The following procedure is in accordance with Article V Section 2 of the Articles of Incorporation of Ridgeview Valley Master Homeowners Association, Inc. which grant the Association the power to adopt and enforce rules and regulations applicable within the Ridgeview Valley Development.

Ridgeview Valley Master Homeowners Association, Inc.

Rule and Regulation No. 2006 - 003

Board of Directors Conflict of Interest Issues

Let it be resolved that the Board establishes the following rule and regulation regarding conflicts of interest as they apply to the members of the Board:

1. Definitions

See Article I of the Declaration of Covenants, Conditions and Restrictions for Ridgeview Valley Planned Residential Development for the definitions of the following terms: Board, Declaration, Member, and RVMHA.

2. Declaration of Conflict of Interest

If any contract, decision or other action taken by the Board on behalf of the RVHA would financially benefit any member of the Board, or any person who is a relative or spouse of that Board member, the Board member shall declare a conflict of interest for that issue. The Board member shall declare the conflict in an open meeting prior to any discussion or action on that issue.

3. Prohibition Against Voting

After making a declaration of a conflict of interest, the Board member may participate in the discussion of the issue as any Member of the RVMHA could, but shall not vote on that issue.

4. Violation of this Rule

Any contract entered into by the Board on behalf of the RVMHA in violation of this rule and regulation will be deemed void and unenforceable. If any Board member willfully violates this conflict of interest rule, that member may be removed from office and replaced by another member; and the remaining Board shall reconsider the issue without the vote of the conflicted Board member, unless the Board is contractually bound to honor the prior decision of the Board or it is otherwise not in the best interest of RVMHA members to reconsider the issue, as determined by the Board in its discretion.

The above Regulation was read and approved as amended by the Board of Directors of Ridgeview Valley Masters Homeowners Association, Inc.

Date of Adoption: 29 Sept 2006

Rule and Regulation No. 2006 - 003
Board of Directors Conflict of Interest Issues

Date Signed: 20 Nov 2006

Signature: 
(President, Ridgeview Valleyaster Homeowners Association, Inc)

#

Rule and Regulation No. 2006 - 004

Complaint Procedures

of the

Ridgeview Valley Master Homeowners Association, Inc.

RVMHA, Inc
912 Gravelly Run Road
McHenry, MD 21541

November 2006

(RV11)

The following procedure is in accordance with Article V Section 2 of the Articles of Incorporation of Ridgeview Valley Master Homeowners Association, Inc. which grant the Association the power to adopt and enforce rules and regulations applicable within the Ridgeview Valley Development.

Ridgeview Valley Master Homeowners Association, Inc.

Rule and Regulation No. 2006 - 004

Complaint Procedures

Let it be resolved that the RVMHA establishes the following procedure for dealing with complaints or alleged violations by the ownership associated with functions at Ridgeview Valley:

1. Definitions

See Article I of the Declaration of Covenants, Conditions and Restrictions for Ridgeview Valley Planned Residential Development for the definitions of the following terms: Articles, Board, Declaration, Guidelines, Member, and RVMHA.

2. Written Complaints

Complaints of alleged violation(s) of the Declaration, Bylaws, or Rules and Regulations adopted by the Board or adopted by the membership of the RVMHA will be reviewed by the Board only when submitted in writing. The Board may establish a form to be used for the filing of written complaints.

3. Complaint Submission

Complaints of alleged violation(s) and requests for review of the findings of the Board, shall be submitted in writing in person to either the President or Secretary of the Board or mailed to the corporate address as follows:

RVMHA, Inc.
912 Gravelly Run Road
McHenry, MD 21541

4. Complaint Contents

Complaints of alleged violation(s) shall include the following:

1. Name, mailing address, and telephone number of the person(s) filing the complaint;
2. Specific section(s) of the General Declaration, Specific Declaration, Guidelines, or Regulation allegedly in violation;
3. Specific description of the alleged violation(s);
4. Photographs documenting the alleged violation(s) are suggested for all complaints and are required for complaints of violation(s) involving animals at large;
5. Description of actions taken to remedy the violation(s), including correspondence and discussions with alleged violator(s); and

6. Action or remedy requested to be taken by the Board.

5. Complaint Review Process

The following process describes the steps to be followed for the review of complaints of alleged violation(s):

1. The complaint must be submitted in accordance with Sections 3 and 4 of this Regulation;
2. The complaint will be reviewed at the next scheduled meeting of the Board or at any special meeting of the Board that may be called;
3. If the complaint is determined to be incomplete, it will be returned to the person(s) filing the complaint;
4. If the complaint is found to be complete, the Board will determine the validity of the complaint;
5. If the complaint is found to be invalid or outside of the purview of the Board, the Board will notify in writing the person(s) filing the complaint that the complaint has been reviewed and report the findings of the Board;
6. If the complaint is found to be valid and within the purview of the Board, the Board will review the specifics of the complaint and propose a remedy. The remedy may include written warnings, fines, restraining orders, injunctions, or other actions as deemed appropriate by the Board;
7. The Board will notify in writing the person(s) (with copy sent to the owner the property, if not same) found to be in violation of the Declaration, Specific Declarations, Guidelines, or adopted Rules and Regulations of the findings and the proposed remedy sought by the Board, to the mailing addresses on record with the association;
8. The person(s) found to be in violation of the Declaration, Specific Declarations, Guidelines, or adopted Rules and Regulations may request in writing, within 10 days of the postmark of the notification of the findings of the Board a review by the Board of the findings and proposed remedy sought by the Board;
9. If a review is requested the findings and proposed remedy will be reviewed at the next scheduled meeting of the Board or at any special meeting of the Board that may be called;
10. If, after a review has been requested and completed, the complaint is found to be invalid or outside of the purview of the Board, the Board will notify in writing the person(s) filing the complaint that the complaint has been reviewed and report the findings of the Board;
11. If, after a review has been requested and completed, the complaint is found to be valid and within the purview of the Board, the Board will impose a remedy. The remedy may include written warnings, fines, restraining orders, injunctions, or other actions as deemed appropriate by the Board;

12. If a review is not requested the Board will impose the remedy at the next scheduled meeting of the Board or at any special meeting of the Board that may be called.

6. Criminal and Civil Complaints

Complaints involving violations of criminal and civil ordinances should be directed to the appropriate law enforcement agency. Threats to public safety and health should be reported immediately to the Garrett County Sheriff's Office.

Violations requiring immediate reporting to law enforcement include, but are not limited to, verbal or physical threats of violence, acts of vandalism, disorderly conduct, disturbing the peace, vicious animal at large, storage of hazardous materials, and maintenance of unsanitary conditions.

The above Regulation was read and approved, and as amended, by the Board of the Ridgeview Valley Homeowners Association.

Date of Adoption: 29 Sept 2006

Date Signed: 20 Nov. 2006

Signature: 
(President, Ridgeview Valley Master Homeowners Association, Inc)

#

Rule and Regulation No. 2006 - 005
Collection of Unpaid Assessments

of the

Ridgeview Valley Master Homeowners Association, Inc.

RVMHA, Inc
912 Gravelly Run Road
McHenry, MD 21541

November 2006

(RV10)

The following procedure is in accordance with Article V Section 2 of the Articles of Incorporation of Ridgeview Valley Master Homeowners Association, Inc. which grant the Association the power to adopt and enforce rules and regulations applicable within the Ridgeview Valley Development.

Ridgeview Valley Master Homeowners Association, Inc.

Rule and Regulation No. 2006 - 005

Collection of Unpaid Assessments¹

The financial well-being of RVMHA relies solely on the timely payment of assessments; therefore it is the Board's obligation to use its best efforts to collect funds owed RVMHA.

Let it be resolved that the RVMHA establishes the following rule and regulation regarding the collection of unpaid assessments due the RVMHA:

1. Definitions

Definitions for Board, Declaration and RVMHA are found in Article I of the Declaration.

2. Amounts payable to RVMHA

Amounts payable to the RVMHA include, but are not limited to:

1. Common cost assessments, to include administrative & general maintenance costs;
2. Special assessments, to include allocation of costs of functions undertaken or performed primarily for the benefit of a particular group (painting, snowplowing, trash removal, private road repairs, etc.);
3. Penalty assessments levied upon any RVMHA member for violation of the Declaration, protective covenants, articles of incorporation, bylaws, or rules & regulations by said RVMHA member, his agents, tenants, guests or invitees;
4. Legal fees and other costs associated with the collection of funds on behalf of RVMHA.

3. Payment schedule

A detailed invoice is generated and mailed to RVMHA members quarterly. Fees are payable thirty (30) days after notice is given by the RVMHA. Fees not received within thirty (30) days of the notice given by the RVMHA will be considered past due.

4. Penalty Assessments: interest charges, late fees & NSF charges

1. Any balance older than 30 days will incur an interest charge of 1% per month
2. (12% per annum) until paid in full.
3. A late fee of \$25.00 shall be charged monthly on all balances greater than 90 days past due.
4. A \$50 NSF (Non-Sufficient Funds) charge will apply to any returned check.

5. Order of crediting payments

¹

Payments received shall be applied to the payment of the oldest outstanding assessment(s) and applicable interest charges, late fees and collection expenses, if any.

6. Process for Delinquency Notification

1. **Past due notice:** A notice of past due charges, including the total amount due, will be sent by First Class Mail to an RVMHA member whose balance is sixty (60) days past due. This notice will recite the RVMHA's intent to assess a late fee of \$25.00 each month in which a balance remains outstanding past ninety (90) days.
2. **Demand for Payment:** This Notice will recite an intent to turn the matter over to an attorney for collection enforcement if the full balance due is not paid within ten (10) days. Legal action may include, but not be limited to, filing a lien against the property owner, obtaining a personal judgment against the owner, and/or property foreclosure.
3. **Legal Action:** If the Board of Directors determines that RVMHA's rights to collection will be impaired by providing the past due notice and demand for payment, set forth above, the Board may proceed directly to legal action to protect RVMHAA's interests.

7. Legal Services

If an account becomes delinquent and is referred to an attorney for collection, the RVMHA member shall be charged RVMHA's attorney fees and all related costs.

8. Other charges

The RVMHA may charge the homeowner for:

1. Fees charged by agents to collect funds payable to the RVMHA
2. A fee of \$15.00 to defray the cost of preparing a statement by the RVMHA's book-keeping service, setting forth the amount of any assessments, charges, fines and penalties
3. Notification, filing and satisfaction of liens
4. Enforcement of the RVMHA rules & regulations, declarations, protective covenants, articles or bylaws
5. Attorney fees and costs of litigation
6. Repairs to the RVMHA common areas that result from the acts of RVMHA members, their agents, tenants, guests or invitees.

Date of Adoption: _____ 29 Sept 2006 _____

Date Signed: _____ 20 Nov 2006 _____

Signature:


(President, Ridgeview Valley Master Homeowners Association, Inc)

#