

MARYLAND HOMEOWNERS ASSOCIATIONS ACT

DEPOSITORY DISCLOSURES

OF COTTAGE GROVE PROPERTY OWNERS ASSOCIATION, INC.

The attached documents and this Statement (“Disclosures”) are being submitted by the Cottage Grove Property Owners Associations, Inc. (“The Association”) to the Clerk of the Circuit Court for Anne Arundel County to be placed in the depository established by the Clerk of said Court in accordance with the provisions of the Maryland Homeowners Association Act of the Annotated Code of Maryland (“The Act”). Attached to this Statement are copies of a Declaration of Covenants, Conditions and Restrictions for “Cottage Grove” and the exhibits thereto (the Declaration); Articles of Incorporation and By-Laws for the Homeowners; the First Amendment to the Declaration; and the guidelines, rules and regulations of the Association approved, April 22, 1987, (collectively, the “Association Documents”). Much of the information required by the Act is embodied in the Association Documents although some information may be repeated in this Statement for purposes of clarity. However, you should read thoroughly all of the Association Documents.

1. Name, principal address, of the vendor and declarant: Carlyle Limited Partnership, (P.O. Bos 957, Severna Park, Maryland 21146); The name and address of the general partner of Carlyle Limited Partnership are:
 - a. GEM Construction Co.
P.O. Box 957
Severna Park, Maryland 21146

The Contract Purchasers of Declaration are:

- a. Matthias Realty, Inc.
10451 Twin Rivers Road, Suite 201
Columbia, Maryland 21044
Phone: 730-5573
- b. Cottage Grove Construction Company
10451 Twin Rivers Road, Suite 201
Columbia, Maryland 21044
- c. Stone-Matthias Partnership
401 Headquarters Drive
Route 3
Millersville, Maryland 21108

2. The Development, as that term is herein defined, shall be governed by a Homeowners Association known as

Cottage Grove Property Owners Association, Inc. (the "Association"). The Association is a non-stock corporation organized and existing under and by virtue of the laws of Maryland. The Association's Resident Agent is : Hugh Gambrell, 836 Ritchie Highway, Suite 23, Severna Park, Maryland 21146..

3. A description of the location and size of the development, including the minimum and maximum number of lots planned or permitted within the development; a description of the common areas; and a description of any property owned by the declarant or the vendor contiguous to the development which has or is to be dedicated to public use is contained within the Declaration, the First Amendment to the Declaration and the Subdivision Plats which are deposited with the Clerk of the Court along with this Statement.

4. Any reservation by the declarant in the Declaration of the right to annex to the development, is set forth within the Declaration, First Amendment to Declaration, and Subdivision Plats deposited with the Clerk of the Court along with this Statement.

5. A copy of the By-law, and the Rules of the Association are enclosed herewith. These obligations are enforceable against the "Owner" of the lot, as that term is defined in the Declaration, and the Owner's tenants.

6. The Homeowners Association owns and maintains the real property described as common areas within the Declaration, First Amendment to Declaration and Subdivision Plats, a copy of which are deposited with the Clerk of the Circuit Court for Anne Arundel County with this Statement. The common areas were conveyed to the Association by Deed dated March 17, 1987.

7. Information concerning the zoning and other land use requirements affecting the development is available for inspection in the Anne Arundel County Office of Planning and Zoning, Arundel Center, P.O. Box 1831, Annapolis, Maryland 21404; phone number, 280-1476.

8. (I) With respect to each lot, mandatory assessments payable by lot owners commenced on the first day of the month following the conveyance to the Association of the common areas.

(II) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessments may be increased each year by the Board of Directors, but not more than five percent (5%) above the maximum assessment for the previous year. The maximum annual assessments may be increased above the five percent (5%), but only after a vote of two-thirds (2/3) of each class of members.

(III) The Board of Directors shall set the amount of the annual assessment against each lot at least thirty (30) days in advance of each Annual Assessment and a statement shall be sent to every Owner subject thereto. Due dates shall be established by the Board of Directors, from time to time and may be paid pro rata on a monthly basis if the Board of Directors so elects.

(IV) Unpaid assessments shall remain the personal obligation of each Lot Owner.

(V) Any unpaid assessments not paid by the due date shall bear interest until paid at the rate of twelve percent (12%) per annum.

(VI) Any unpaid assessments may also be enforced pursuant to the terms of the Maryland Contract Lien Act.

(VII) The assessment, together with interest, costs, and reasonable attorney's fees, shall be a charge

upon the land and shall be continuing lien upon the lot against which the assessments are made. However, assessments, together with interest, costs, and reasonable attorney's fees shall also remain the personal obligation of the owner of each lot.

(VIII) The current annual assessment due against each lot is Eighty-Five Dollars (\$85.00).

9. A description of all special rights or exemptions reserved by or for the benefit of the declarant or the vendor are set forth within the Declaration and First Amendment to Declaration, deposited with the Clerk of the Circuit Court of Anne Arundel County, along with this Statement.

10. The name, address, and telephone number of the officer of the Homeowners Association authorized to provide to members of the public, information regarding the Home Owners Association is :

Norman Colson, President
Cottage Grove Property Owners Association, Inc.
160 Cottage Grove Drive
Pasadena, Maryland 21122
(301) 438-0986

COT.26

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR "COTTAGE GROVE"
AND ALL FUTURE SECTIONS OF "COTTAGE GROVE"**

THIS DECLARATION is made this ____ day of October, 1983, by Carlyle Limited Partnership, a Maryland Limited Partnership, referred to as "Declarant", and Matthias Realty, Inc., Stone-Matthias Partnership, and Cottage Grove Construction Company, Inc. Contract Purchase

RECITALS

DECLARANT DECLARES THAT:

1. The terms and provisions hereof shall apply to that subdivision known as "Cottage Grove" located in the Third Assessment District of Anne Arundel County and lying to the southeast of Fort Smallwood Road, and which is more particularly identified as all those lots and parcels of ground shown and delineated on those certain Subdivision Plats, numbered 4437 and 4438, recorded among the Land Records of Anne Arundel County at Plat Book 8f5, folios 12 and 13, entitled "COTTAGE GROVE", a Planned Unit Development, which lots are numbered Lots 15A and 15B through and including 23A and 23B, and Lots 48A and 48B through and including 62A and 62B. The real property delineated on those plats consists of the 86 residential lots and of recreation area (herein sometimes referred to as the "common area" or "open space")
2. No other land or property is part of the Cottage Grove Planned Unit Development unless and until same

has been annexed thereto by properly recorded plat and made subject to the terms and provisions of this Declaration. Such annexation and addition to this Declaration shall be accomplished by recording an appropriate amendment to Paragraph 1 hereof for any future Cottage Grove sections, which right Declarant expressly reserves.

3. This Declaration shall become legally binding, effective and operable simultaneously with its recordation. Upon the recordation, Cottage Grove Property Owners Association, Inc. "The Association", shall hold, use, and apply all open space lots shown on the Plat of Plats described in Paragraph One according to the terms of this Declaration for the common use and enjoyment of all of its member and all others properly upon the premises.

4. It is deemed to be in the best interest of future homeowners of the residential lots of Cottage Grove to establish a community identity acting by and through the Association, to be both benefited and burdened by these Cottage Grove Covenants. This Association is a Maryland non-profit corporation organized to operate exclusively for the civic, social, recreational, community, and related public purposes, and to provide for the maintenance and preservation of certain recreation and open space lots, other community owned or common area lots, and all privately maintained easements now shown and otherwise as herein described and designated as property to be utilized impartially and equitable for the good of all future homeowners of said Lots on the Plats or in this instrument, and which Association shall administer and enforce the provision of this Declaration to effect these aims together with all other related aims, objectives and purposes as stated herein.

5. All lots in Cottage Grove and all future Sections are and always will be subject to the legal operation and effect of each of the following specific documents recorded or intended to be recorded among the Land Records of Anne Arundel County, Maryland:

(a) Deed, dated November 22, 1976, from Savage Fogerty Company, Inc. and recorded in the Land Records of Anne Arundel County, Maryland in Liber 2913, folio 816; Deed dated October 28, 1977, from Gilbert Doerr and recorded in the Land Records of Anne Arundel County, Maryland in Liber 302A, folio 303; Deed dated November 14, 1997 from Wayne Paul Hudson and recorded in the Land Records of Anne Arundel County, Maryland in Liber 3050, folio 364; Deed dated December 1, 1977 from Michael Joseph Wagner and Carol Ann Wagner and recorded in the Land Records of Anne Arundel County, Maryland at Liber 3033, folio 489.

(b) This Declaration; and

(c) Any subsequent amendment to this Declaration subjecting future Cottage Grove Sections to this Declaration (or amending this Declaration in other respects) through annexation (as hereinafter defined) to the terms, provisions and conditions therein stated.

6. All residential lots and open space land in Cottage Grove shall, whenever transferred by Declarant, its successors or assigns, be conveyed as restricted, bound and subjected (as a covenant running with the land) to the terms and provisions of these Declaration as stated and established under Paragraph 3 hereof.

7. Recreation areas, open space and private right-of-ways are open space or community lots which are set aside by Declarant to be the common areas for all members of the Association.

8. To most effectively, equitably and efficiently discharge said community responsibility to all lot owners in Cottage Grove as members of the Association shall contribute an equal annual charge to be set annually by the Association, and levied and collected as part of the annual assessments or charges to members.

9. This Declaration is and is intended to be a part of the general plan and scheme of development for Cottage Grove and all future sections.

NOW, THEREFORE, Declarant hereby declares that all of the lots described in Paragraph One (as now written or subsequently amended) are included within Cottage Grove and its general scheme of development. The lots

shall be held, sold and conveyed subject to all the terms of this Declaration, all of which provisions are for the purposes of enhancing and protecting the value, desirability and attractiveness of Cottage Grove, and all of the assessments, restrictions, covenants and conditions contained in this Declarator shall run with, bind and encumber the aforesaid property and shall be binding upon and inure to the benefit of all parties now or hereafter acquiring any right title or interest therein.

Further, Declarant states and declares that the terms of the Recital, paragraphs number 1 through 9, each inclusive, are legally binding for all purposes whatsoever as a part of this Declaration.

ARTICLE I

DEFINITIONS

Section 1. “Association” means and refers to Cottage Grove Property Owners Association, Inc., a nonprofit corporation, its successors and assigns, a new Maryland corporation.

Section 2. “Property” means and refers to all present and future sections of Cottage Grove, including that certain real property shown, defined and designated on Plats No. 4437 and 4438 recorded among the Land Records of Anne Arundel County, Maryland, at Plat Book 85, pages 12 and 13, entitled: COTTAGE GROVE (the “Plat”).

Section 3. “Plats”, unless otherwise unidentified or qualified, means those Subdivision Plats No. 4437 and 4438, and all future subdivision plats of the Cottage Grove Community.

Section 4. “Annexation Property” means and refers to that portion of the Cottage Grove property, shown on the Cottage Grove Plats, recorded among the Land Records of Anne Arundel County as Plats No. 4437 and 4438, Plat Book 85, folios 12 and 13, and outlined in red and labeled thereon as the “Reserved Parcel”.

Section 5. “Common Area” means all community property, including open space and recreation area, and refers to any and all areas of land so designated or allocated either on any recorded zoning, use or subdivision plat of the Property or as subsequently set aside and intended for the common use and enjoyment of the owners of residential lots of Cottage Grove. This includes open space lots, and all other areas, if any, delineated upon any recorded subdivision plat of the property designated as held in common and within the property lines of residential lots, but excluding beds of future public roads.

The common area or open space to be owned by Association prior to the conveyance of the first residential Lot by Declarant is further delineated as follow:

BEING all recreation area and open space, as shown on the Plat and more specifically described in the Deed from Carlyle Limited Partnership to the Cottage Grove Property Owners Association, Inc., recorded simultaneously herewith.

Section 6. “Lot” means and refers to each plot of land shown upon the Plat(s) of the Property as a lot of land to be improved by a single family duplex to be used for residential purposes, all according to the general plan or scheme of development for Cottage Grove, and subsequent Sections incorporated herein.

Section 7. “Member” means and refers to every person or entity who holds membership in the Corporate Association as provided for in ARTICLE III hereof.

Section 8. “Owner” means and refers to the record owner, whether one or more persons or entities, of a leasehold or fee simple title to any lot which is a part of the property, including the contract sellers, but excluding: (i) anyone having such interest merely as a security for the performance of an obligation and (ii) the owner of a redeemable reversion in fee or annual ground rent.

Section 9. “Declarant” means and refers to Carlyle limited Partnership, its successors and assigns, a Maryland Limited Partnership in good standing, and any successor or assignees of Carlyle Limited Partnership, in whole or in part, who acquires more than one undeveloped Lot for the purpose of development.

Section 10. “Fee title” to each residential and open space lot in Cottage Grove, when conveyed by Declarant shall not extend beyond the specific lot outlines as shown on the record subdivision plat on which said lot appears, and shall include a prorated interest in all of the Common Areas.

Section 11. The “Cottage Grove Covenants” means this instrument.

Section 12. This “Declaration” means all terms and provisions as are contained in this document, including the execution page.

ARTICLE II

ANNEXATION

Section 1. The Annexation Property may be annexed to Cottage Grove at any time within ten (10) years from the date hereof, and after annexation shall become subject to the terms of the Declaration, which annexation shall occur upon the happening of the last to occur of all of the following events.

- (a) The subdivision and recordation of a Plat or Plats among the Land Records of Anne

Arundel County as aforesaid for all or a portion of the remaining presently unsubdivided property described in the following Deeds: from Savage Fogerty by Deed dated November 22, 1976 and recorded among the Land Records of Anne Arundel County at Liber 2913, folio 816; from Gilbert Doerr by Deed dated October 28, 1977 and recorded among the Land Records of Anne Arundel County at Liber 3024, folio 303; from Wayne Paul Hudson by Deed dated November 14, 1977 and recorded among the Land Records of Anne Arundel County at Liber 3050, folio 364; and from Michael Joseph Wagner and Carol Ann Wagner by deed dated December 1, 1977 and recorded among the Land Records of Anne Arundel County at Liber 3033, folio 489; that property being shown on the Plats of Cottage grove at Plats of Cottage Grove at Plat Book 85, pages 12 and 13 among the Land Records of Anne Arundel County as “Cottage Grove; Reserved Parcels”; and

(b) The execution and recordation by Declarant of a Supplemental Declaration of Cottage Grove Covenants encumbering and benefiting all property shown on said subdivision plats to the terms hereof or as otherwise therein modified as may be required to perpetuate and impose equitably and fairly the spirit, aim and intent of this Declaration upon all homeowners of property in Cottage Grove; and

(c) The execution and recordation of a deed of conveyance to Association, free of lien or encumbrance (other than as stated herein) thereon, of all Common Areas shown upon the future subdivision Plat (s).

(d) No further action by any party shall be required for such annexation by expansion and all property so annexed shall become and remain subject to the terms, provisions, conditions, covenants and restrictions hereof and of said Supplemental Declaration as covenants running with the land.

Section 2. The right of Declarant to annex the Annexation Property in accordance with the terms and provisions of Section 1 hereinabove shall be voluntary in nature, and shall not be deemed in any manner to bind the Declarant to incorporate such property hereunder, and the only manner in which the Annexation Property or any portion thereof, shall be subjected to this Declaration shall be by and in accordance with the procedures set forth herein.

Following any annexation of the Annexation Property, the term “Property” shall be deemed modified so as to include all real property which is so annexed.

Section 3. Additional lands, other than the Annexation Property, may be annexed to Cottage Grove and become subject to the terms of this Declaration, provided always that such annexation shall be permitted only if approved but

a Vote of the Members of the Association. Following such approval by the Association, said annexation shall become effective following the designation of the property to be annexed by the owners thereof in an appropriate written instrument which is duly executed and recorded among the Land Records of Anne Arundel County, Maryland.

ARTICLE III

MEMBERSHIP

Every owner of a lot shall by reason of said ownership be a Member of the Association.

Class A. Class A Members shall be all Owners of lots, with the exception of the Class B Members.

Class B. Class B Member(s) shall be Declarant as above defined.

ARTICLE IV

VOTING RIGHTS

Section 1. Voting Membership. The Association shall have two classes.

(a) Class A. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by ARTICLE III. When more than one person holds such interest in any Lot, all such persons shall be members but the vote for such Lot shall be apportioned into as many fractions of the whole as there are owners, so that in the event shall more than one full vote be cast with respect to any Lot.

(b) Class B. Class B Members shall be entitled to three votes for each Lot in which they hold the interest required for membership by ARTICLE III.

Section 2. Conversion. Class B Membership shall cease and be converted automatically to Class A membership as to each Lot on the happening of the earlier to occur of the following events:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) January 1, 1990.

ARTICLE V

PROPERTY RIGHTS

Section 1. Members' Easement of Enjoyment. Every member shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions, rights and duties of the Association through its Board of Director's:

- (a) To limit from time to time the number of guests which any member may allow to use

the Common Area or any recreational facility which might be established on the Common Area.

(b) To charge reasonable admission, maintenance and other fees for the use of any recreational facility or improvement, which might become situated upon the Common Area.

(c) In accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and its facilities. As security for any such borrowing, the Association after affirmative Vote of Members may execute a mortgage on said Common Area to be superior to the rights of the homeowners hereunder but subordinate to such covenants, conditions, restrictions, reservations, liens and charges that may be provided for in other covenants running with the land.

(d) The right of the Association to suspend the voting rights and the right to use the recreational facilities of a Member for any period during which any assessment against his Lot remains unpaid, and for a period not exceed sixty (60) days for any violation of its published rules and regulations.

(e) To dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purpose and subject to such conditions as may be first approved by the Board of Directors and then presented to the Members at a duly constituted meeting called to act upon such proposal. No such dedication or transfer shall be effective except by affirmative Vote of two-thirds (2/3) of the entire membership.

(f) To adopt any reasonable rules and regulations to govern the use and maintenance of all Common Areas and for any and all other valid corporate purposes.

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

Section 3. Title to the Common Area. Declarant hereby covenants for itself, its successors and assigns, that it will convey the Common Area to the Association prior to the conveyance by it or any residential Lot within the Property.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each owner of any Lot by hereafter accepting a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges as established from time to time, and (2) special assessments for capital improvements or any other purposes with such assessments to be established and collected from time to time as hereinafter provided. However, the assessment to any Declarant for all vacant homes and unimproved Lots, title to which has not been transferred, shall be equal to the total operating budget of the Association less the regular and special assessments to be collected in that same time period from all other Lot Owners.

The annual and special assessments, together with interest, costs of collection thereof and reasonable attorneys'

fees shall be a charge on the land and shall be a continuing lien until paid, upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs of collection thereof and reasonable attorney's fees, shall be the continuing personal obligation for payment by the person who was the owner of such property at the time when the assessment fell due. Any unpaid assessments shall be the personal responsibility of successors in ownership of said Lot unless expressly assumed by them

Section 2. Purpose of Assessment. The assessment levied by the Association shall be used exclusively within Cottage Grove to provide and maintain common areas, street improvements and maintenance as necessary, sidewalks, public safety, and a street safety lighting system (on-site and off-site) which is to be installed and maintained by Baltimore Gas and Electric Company, the aesthetic appearance of Cottage Grove and environs, and other purposes and operations; all funds shall be disbursed only as permitted and sanctioned for exempt organizations under Section 301(c) (3) of the Internal Revenue Code together with any amendments or supplements thereto.

In no event shall any assessment, general or special, or any other funds collected by the Association be used for purposes of commencing, continuing or concluding litigation against the Declarant or its assigns, in whole or in part, or to take any zoning appeals, contest any zoning or other administrative decision of Anne Arundel County or its subsidiary authority, including litigation or appeal of any matter that might come before the jurisdiction of the Anne Arundel County Board of Appeals.

Section 3. Initial and Maximum Annual Assessment. Until January one of the year immediately following the conveyance of the first Lot to an Owner, the initial and maximum annual assessment for each Lot shall be Fifty Dollars (\$50.00).

(a) From and after January one of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year by the Board of Directors, but not more than five percent (5%) above the maximum assessment for the previous year.

(b) From and after January one of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above the five percent (5%), but only after two-thirds (2/3) affirmative vote of each class of Member. The limitations hereof shall not apply to any change in the maximum and basis of the assessment undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) After consideration of current expenses and the future needs of the Association, the

Board of Directors shall set the annual assessment for each Lot at an amount not to exceed the maximum permissible assessment as hereinabove defined. Until other positive action by the Board of Directors is taken, the continuing annual assessment for each Lot shall be Fifty Dollars (\$50.00).

Section 4. Date of Commencement of Annual Assessments; Due Dates. The first annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance to the Association of the Common Areas. The first annual assessment of each such Lot shall be pro-rated according to the number of months remaining in the fiscal year and shall be a charge and lien due and payable in the year of the assessment either at the time of transfer of ownership from Declarant or on December 15th. Of such year, whichever shall occur the sooner. Declarant shall pay all assessment charges on each Lot for the full month in which Declarant transfers initial ownership thereof.

The remaining unsubdivided part of Cottage Grove aforesaid, after subdivision and annexation thereof as herein defined, shall be similarly assessed as to all residential Lots so annexed, the first day of the month following the conveyance thereof by Declarant to Association of the Common Areas associated with such annexed property. No residential Lot shall be conveyed by Declarant until after it shall have conveyed to Association Common Areas shown on the subdivision plats of the Annexation Property. Such assessment(s) shall be pro-rated and paid at the time and in the same manner and amount as for all other residential Lots in Cottage Grove as determined by the provisions hereof.

Thereafter, all annual assessments shall be levied on January one of each year. The Board of Directors shall fix the amount of the annual assessment against such Lots at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner. The due dates for payment of the assessment shall be established by the Board of Directors from time to time and may be paid pro rate on monthly basis if the Board of Directors so elects.

The Association shall upon demand in writing by the Owner or his proper representative at any time furnish a Certificate in writing within six (6) business days signed by an officer of the Association, setting forth the amount of all assessments on any specified Lot and whether or not such has been paid. The Board of Directors shall appoint an Agent to perform this public service and a reasonable charge may be made by the Board for the issuance of a Certificate. Such Certificate shall be conclusive evidence of payment of all outstanding assessments against such Lot unless otherwise therein stated. Failure to furnish such Certificate as prescribed herein shall bar and prohibit the Association from thereafter enforcing its lien upon said Lot for the amount the amount of the unpaid assessment.

The provisions hereof, do not affect the continuing personal liability of the then Owner of the Lot to pay such outstanding assessment.

Section 5. Special Assessments for Capital Projects. In addition to the annual assessments authorized above, and upon the two-thirds (2/3) affirmative vote of each class of the Members, the Association may levy in any ??????? year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement within the Common Area, including the necessary fixtures and personal property relating thereto. Any special assessment, when levied, shall contain an explanation of the terms and method of payment thereof.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots except for the special condition of limited duration applicable to a Declarant as noted hereinbefore.

Section 7. Quorum for any Action Authorized Under Sections 3 and 5. Written Notice to the Members shall precede any action of the Association authorized under Sections 3 and 5 hereof. At the meeting called pursuant to such notice, the presence at the meeting of Members, in person or my proxy, entitled to cast seventy five percent (75%) of all the votes of each class of membership entitled to vote shall constitute a quorum. If the required quorum is not forthcoming at such meeting, another meeting shall be called, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. However, no subsequent meeting to establish a quorum shall be held more than sixty (60) days following the original meeting for which notices was given.

Section 8. Effect of Nonpayment of Assessments; remedies of Association. Any assessment which is not paid when due shall be delinquent. An assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, with interest, costs, and reasonable attorney's fees for any such action added tot he amount of such assessment. No owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to First Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any assumption, purchase money, construction or other bona fide first mortgage. Sale or transfer of any Lot shall not affect any of the assessment liens; EXCEPT the sale or transfer of any lot which is subject to any first mortgage, pursuant to a decree of foreclosure under such first mortgage or proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments (but not the personal obligation of the debtor) as to

the payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Property and placed upon the dividing line between the lots shall constitute a party wall. The general rules of Maryland law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply hereto. If there is a party wall, then the following provisions shall apply:

Section 2. Sharing of Repair and Maintenance. The cost of the reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute the costs of restoration thereof in proportion to such use without prejudice, however, to the right of any right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this ARTICLE, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary repair and protection against such elements.

Section 5. 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 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this ARTICLE, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Land Use and Building Type. The property shall be used only for single family attached residential, open space and public uses. Declarant, however, for itself, its successors and assigns, reserves the right, prior to the transfer of ownership of the first Lot shown on Plats or subsequently on Annexation Property to alter, amend, or change any lot lines on the subdivision plats for Cottage Grove to conform to any planning or zoning requirements of

Anne Arundel County, Maryland, in which event Declarant shall also advise the FHA and VA of such action, which Agencies may then act independently thereon. No building shall be erected, altered, placed or permitted to remain on any Lot other than a single family attached dwelling for use solely by occupant. No residence, or any part thereof, no any out-buildings related thereto, shall be used for any purpose other than as permitted under the Zoning Laws and Regulations of Anne Arundel County, Maryland. Except as related to real estate sales and construction, no sign, advertisement or message shall be displayed or published.

Notwithstanding the forging, with the prior written consent of Declarant, during the construction and/or sales period for Cottage Grove, real estate sales and construction offices, sample dwellings, speculative houses, displays, signs and special lighting may be erected, maintained and operated by Declarant, its successors or assigns, on any part of said property and on or in any building or structure now or hereafter erected thereon.

Section 2. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done or placed thereon which may become an annoyance or nuisance to the neighborhood. Owners shall at all times maintain their property and all appurtenances thereto in good repair and with neat appearance. Refuse containers shall be stored or placed on property in inconspicuous and inoffensive areas. Trash, refuse or waste materials shall not be burned and incinerators designed for burning trash, garbage or waste materials shall not be placed or operated on the Property. NO commercial or industrial vehicle(s), junk vehicles, campers, trailers, boats, etc., shall be regularly or habitually parked in front of any Lot or within the Common Areas. Flower gardens, shrubs and trees shall be properly maintained and all open areas of Lots, if preserved as lawns, shall be mowed and not permitted to grow in excess of three (3) inches. If any Lot or residence remains in a material state of disrepair, the Association after thirty (30) days' notice may repair or maintain property and accordingly assess owner(s). cost of enforcement of this provision, including reasonable attorney's fees, shall be borne by the Lot Owner violating same.

Section 3. rules and Regulations; Architectural Committee. The Board of Directors shall have the power to formulate, publish and enforce, to the same extent as if they were set forth fully herein, additional rules and relations governing the maintenance, upkeep, improvement and use of the Common Areas and of the Property and all Lots located thereon. In this regard, the Board of Directors may, in its discretion, promulgate regulations and procedures which require that no structure shall be commenced, erected or maintained upon the Property, nor shall any exterior additions to or change or alteration therein be made, until plans and specifications therefor showing the nature, kind, shape, materials, height and location of the same shall have been submitted to and approved in writing as to harmony of exterior design and location in relation to surrounding structures and topography. For purposes of this Section 3,

the term “structure” may be defined as any construction of any kind, including signs, fences, accessory building, sheds, additions or extensions or material alterations of the residence. The Board may itself carry out the function of reviewing and approving all plans and specifications submitted for approval or erection or alterations of structure, or may, in its discretion, appoint an architectural committee of three (3) or more representative to carry out such duties.

Section 4. Radio and Television Antennas. Radio or television receiving antennas installed on residential Lots shall be limited to a height of ten (10) feet above the topmost roofline of the dwelling thereon.

ARTICLE IX

EXTERIOR MAINTENANCE

Section 1. Common Area. The Association shall have the following duties and obligations in regard to the Common Area to be conveyed to it:

- (a) To maintain all such areas in a neat and orderly condition and in keeping with the landscaping, grading and site plans of Cottage Grove; and
- (b) To provide all necessary grass mowing, snow removal and other similar services, and
- (c) To maintain all roadways, parking areas and portions of streets and/or roads, public or private, which have been excluded from or not included in public maintenance for any reason, although said portions shall lie within the bed of any public street or road; and
- (d) To preserve as open space, all or part of any Lot designated or shown on the Final Subdivision Plat(s) or Final Development Plan(s) for Cottage Grove as open spaces; and
- (e) To grant rights-of-way or easements upon and over any portion of the Common Area for utilities and drainage facilities as well as for ingress and egress from and to public streets and roads or otherwise for the use and benefit of Owners.

Section 2. Structure and Lot Appearance. In the performance of it’s duties and obligations, the Association is hereby granted the right to easement to enter and remain within or upon any structure or other part of any Lot as may be necessary to fulfill its obligations herein, acting always in a reasonable manner.

ARTICLE X

EASEMENTS FOR CONSTRUCTION

Section 1. Declarant and Association. A general easement is expressly reserved granting to the Declarant and the Association and its successors to cross or enter any unimproved property for the purpose of effectuating any repair or maintenance. Easements for the installation and maintenance of utilities, drainage facilities, streets, driveways and walkways are hereby reserved by Declarant, its successors or assigns, as shown on the Plat recorded among the Land Records of Anne Arundel County, Maryland, and further easements later may be required of the Association to be granted in the best interest of its Members. The Association shall have the power and authority, upon the affirmative vote of a quorum of the members then voting in person or by proxy at a meeting duly called in

writing for such purposes, to grant and establish upon, over and across the Common Areas such further easements as may be necessary or desirable. Within any such easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities or which may change the direction or flow of drainage channels.

ARTICLE XI

GENERAL PROVISION

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one or these covenants or restrictions by judgement or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall automatically be extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first twenty (20) year term by an instrument signed, sealed, acknowledged and recorded among the Land Records of Anne Arundel County, Maryland, by the Owners entitled to cast at least ninety percent (90%) of the total votes of the membership, and thereafter by similar action of Owners entitled to cast not less than seventy-five percent (75%) of the total votes of the membership.

Section 4. FHA-VA Approval, as it Relates to FHA and VA Financing. As long as there is any Class B Member of the Association, the Association cannot, without the prior written approval of the Secretary of Housing and Urban Development and the Veterans Administration and their respective successors:

- (a) Annex and subject any additional property to the terms of this Declaration (provided, however, that Annexation Property as referred to in Article II hereof is not governed or affected by the terms of this Section 4) or
- (b) Sell, lease, exchange, convey, transfer, encumber, dedicate or otherwise dispose of the Common Area except as hereinbefore stated; or
- (c) Amend this Declaration except by Supplemental Declaration as referred to Article ii hereof.

Section 5. Joinder of Contract Purchasers. Matthias Realty, Inc., Stone-Matthias Partnership, and Cottage Grove Construction Co., Inc. join in this instrument for the limited purpose of subordinating any and all contract rights they may have to the provisions of this instrument, the By-Laws of the Association and the Articles of Incorporation of the Association.

IN WITNESS WHEREOF, the undersigned, being the parties now bound by the terms and provisions hereof, have hereunto set their hands and seals in the manner hereunto made acknowledged.

INSERT SIGNATURE PAGES

**FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
COTTAGE GROVE AND ALL FUTURE SECTIONS OF
COTTAGE GROVE**

THIS FIRST AMENDMENT to Declaration of Covenants, Conditions and Restrictions for Cottage Grove is made this 15th Day of March 1984 by Carlyle Limited Partnership, a Maryland Limited Partnership (“Declarant”), and Cottage Grove Construction Company, Inc. (“Contract Purchaser”).

Explanatory Statement: By document dated the 31st. day of October, 1983, recorded among the Land Record’s of Anne Arundel County at Liber 3687, folio 273, Declarant and Contract Purchaser made an initial Declaration of Covenants, Conditions and Restrictions for Cottage Grove, which Declaration affected all that property known as Lots 1A and B through and including Lots 22A and B, and Lots 42A and B through and including Lots 62A and B on that Plat of “Cottage Grove” recorded among the Land Records of Anne Arundel County at Plat Book 85, folio 12 and 13, which property consists if eighty six (86) residential lots and recreation area appurtenant thereto.

This First Amendment to Declaration is intended to limit and modify that initial Declaration in certain respects. To the extent not modified herein, the original Declaration shall remain in full force and effect.

NOW, THEREFORE, the Declarant and Contract Purchaser, do declare that all of the lots set forth in the above Explanatory Statement of this First Amendment to Declaration shall be subject to the terms of the Declaration, this First Amendment and any future amendments thereto. All lots held, sold, and conveyed shall be conveyed subject to the terms of the original Declaration and this First Amendment. This Declaration runs with the land and shall be binding on all Lot Owners as defined in the Declaration.

The original Declaration is modified as follows:

1. Article 1, Section 5, "Common Area" ?????? defined "recreation area" expressly is limited to that recreation area which has been or is subsequently deeded to the Cottage Grove Property Owners' Association, Inc. and expressly excludes recreation area otherwise appurtenant to the property, including the waterfront area recreation area. It is understood that the waterfront recreation area, may be deeded to the Association at some future time, but the Declarant, its successors or assigns in no manner or respect is required to do so.
2. Article I, Section 2, is modified in the respect that the property presently encumbered by the original Declaration and this First Amended Declaration is only that specifically set forth in the Explanatory Statement, to wit: Lots 1A and B through and including 22A and B, and Lots 42A and B through and including 62A and B. Future sections may be incorporated into the subdivision at a later date, in Declarants' sole discretion.
3. Article V, Section 3, regarding Title to Common Area, is modified by the addition of the following language:

"Declarant is under no obligation to title any waterfront recreation area in the name of the Association"
4. Article VI, Section 1, is modified by the addition of an additional paragraph at the close of the present Section 1:

"Notwithstanding any provision to the contrary hereof, the Declarant or any other Class B member shall be required to pay the lessor of 25% of the dues and/or assessments established by this Declaration for each lot owned by it or the total funds necessary after collection of all Class A members' dues and assessments to meet the budgeted expenditures of the Association on an annual basis."
5. Article VI, Section 2, regarding the Purpose of the Assessments, is to be clarified by the addition of a paragraph after the first paragraph of that Section which provides as follows:

"Notwithstanding any provisions hereof, it is understood and agreed that the assessments shall be used only for the purpose of maintaining all non-public improvements to the propertyj. Public street improvements, including storm drains and the like, sidewalks, roads, street safety lighting systems, or the like, which are owned or maintained by Anne Arundel County shall not be maintained by the Association."
6. Article VI, Section 3, regarding Initial and Maximum Annual Assessment amount, is modified by the deletion of the phrase "Fifty Dollars (\$50.00)" at the end of the first paragraph thereof and the insertion of the phrase "Eight Five Dollars (\$85.00)", so that the first paragraph shall read as follows:

"Until January one of the year immediately following the conveyance of the first Lot to an Owner, the initial and maximum annual assessment for each Lot shall be Eighty Five Dollars (\$85.00)."
7. Article VI, Section 4, is modified by the addition of a full additional paragraph after the first paragraph thereof, which paragraph will read as follows:

"The Class B members shall pay an annual assessment pursuant to Article IV. All assessments shall commence as to each Class B lot owner only after conveyance of a lot to a Class A lot owner and then shall be as established in Article IV."
8. Article VIII, Section 1, regarding the construction of buildings, an additional paragraph shall be inserted after the first full paragraph thereof, which shall provide as follows:

“The prohibition on the construction of buildings as set forth in the Article VIII, Section 1, shall pertain only to outbuildings such as sheds, in-law apartments, or the like. It shall not be construed to prevent the erection of an attached garage or a free-standing garage as permitted by the Anne Arundel County Code, provided that such garage is approved pursuant to Section III hereof regarding an Architectural Committee.

9. Article VIII, Section 2, regarding Nuisances, in the fifth full sentence thereof, the sentence which provides as follows:

“No commercial or industrial vehicle(s), junk vehicles, campers, trailers, boats, etc., shall be regularly or habitually parked in front of any Lot or within the Common Areas.”

Shall be modified by the addition of the following phrase after the words “Common Areas”, to wit:

“except and unless such parking within a Common Area is in an area designated therefor by the Declarant; Declarant shall exercise reasonable judgement in establishing a parking area for boats, trailers, and the like, within a recreation area of the Cottage Grove Subdivision.”

10. Article VIII, Section 3, regarding an Architectural Committee, is amended by the addition of the following paragraph at the close of that Section, which provides as follow:

“Notwithstanding the Board of Directors’ right and authority to appoint an Architectural Committee, no such architectural rules or regulations will in any case be applicable to the Declarant or the Contract Purchaser. All subsequent purchasers other than Declarant or the Contract Purchaser shall be subject to the Architectural Committee’s Rules and Regulations.”

All Explanatory Statements commencing this Declaration are hereby incorporated by reference.

IN WITNESS WHEREOF, the undersigned, being the parties now having an interest in the land, hereunto set their hands and seals in the manner hereunto made and acknowledged.

WITNESS:

CARLYLE LIMITED PARTNERSHIP

By: Gem Construction Co.
General Partner

COTTAGE GROVE CONSTRUCTION CO.

By: George W. Stone, Vice Pres.

STATE OF MARYLAND, COUNTY OF ANNE ARUNDEL, to wit:

I HEREBY CERTIFY, that on this 15th Day of March, 1984, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared George W. Stone, Vice President of GEM Construction Co., General Partner, being Limited Partnership, and that he as such General Partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing in my presence, the name of the Limited Partnership by himself as such General Partner.

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

Notary Public

My Commission Expires:

7-1-88_____

STATE OF MARYLAND, COUNTY OF ANNE ARUNDEL, to wit:

I HEREBY CERTIFY, that on this 15th day of March, 1984, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared George W. Stone, who acknowledged himself to be the President of Cottage Grove Construction Co., Inc., a corporation, and that he as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing in my presence, the name of the corporation by himself as such President.

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

Notary Public

My Commision Expires:

7-1-86_____

Mailed to _____

BY-LAWS OF THE
COTTAGE GROVE PROPERTY OWNERS' ASSOCIATION
A NON-PROFIT CORPORATION

ARTICLE I

Office

SECTION 1. Principle Office. The principle office of the Corporation shall be at 836 Ritchie Highway, Suite 22, Severna Park, Maryland 21146.

SECTION 2. Other Offices. The Corporation may also have an office or offices in such other place or places as the business of the Corporation may require and the Board of Directors may from time to time appoint.

ARTICLE II

Members

SECTION 1. Annual Meeting. The annual meeting of the members of the Corporation shall be held on the third Monday in August of not a legal holiday, and if a legal holiday then the next succeeding day not a legal holiday, for the purpose of electing directors to succeed those whose terms shall have expired as of the date of such meeting, and for the transaction of such other corporate business as may come before the meeting.

SECTION 2. Special Meetings. Special meetings of the members may be called at any time for any purpose or purposes by the Chairman of the Board, the President, by a Vice President, and shall be called forthwith by the Chairman of the Board, the President, by a Vice President, the Secretary, or any director of the Corporation upon the request in writing of a majority of all the members entitled to vote on the business to be transacted at such meeting. Such request shall state the purpose or purposes of the meeting. Business transacted at all special meetings of members shall be confined to the purpose or purposes in the notice of the hearing.

SECTION 3. Place of Holding Meetings. All meetings of member shall be held at the principal office of the Corporation or elsewhere in the United States as designated by the Board of Directors.

SECTION 4. Notice of Meetings. Written notice of each meeting of the members shall be mailed, postage prepaid by the Secretary, to each member of record entitled to vote thereat at his post

office address, as it appears on the books of the Corporation at least ten (10) days before the meeting. However, at any meeting called for the purpose of making any Declaration of Covenants, Restrictions and Affirmative Obligations, notice shall have been sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. Each such notice shall state the place, day, and hour at which the meeting is to be held and, in the case of any special meeting, shall state briefly the purpose or purposes thereof.

SECTION 5. Quorum. The presence in person or by proxy of a majority of the members of the Corporation shall constitute a quorum at all meetings of the members except as otherwise provided by law, by the Articles of Incorporation or by these By-Laws. If less than a quorum shall have been called, the meeting may be adjourned from time to time by a majority vote of the members present or represented, without any notice other than by announcement at the meeting, until a quorum shall attend. At any adjourned meeting at which a quorum shall attend, any business may be transacted which might have been transacted if the meeting had been held as originally called, except that at the first meeting called for the purpose of taking any action to increase the annual assessment, at least seventy-five (75%) of all members and proxies entitled to cast a vote shall constitute a quorum. If the required quorum is not present the meeting may be continued until such time as a quorum can be had. No subsequent meeting to establish such a quorum shall be held more than sixty (60) days following the original meeting for which notice was given.

SECTION 6. Conduct of Meetings. Meetings of members shall be presided over by the President of the Corporation or, if he is not present, by a Vice President, or, if none of the said officers is present, by a chairman to be elected at the meeting. The Secretary of the Corporation, or if he is not present, any Assistant Secretary, shall act as Secretary of such meetings; in the absence of the Secretary and any Assistant Secretary, the presiding officer may appoint a person to act as Secretary of the meeting.

SECTION 7. Voting. At all meetings of members every member entitled to vote thereat shall have one (1) vote. Such vote may be either in person or by proxy appointed by an instrument in writing subscribed by such members or his duly authorized attorney, bearing a date not more than three (3) months prior to said meeting, unless said instrument provides for a longer period. Such proxy shall be dated, but need not be sealed, witnessed or acknowledged. All elections shall be had and all questions shall be decided by a majority of the votes cast at a duly constituted meeting, except as

otherwise provided by law, in the Article of Incorporation or by these By-Laws.

If the chairman of the meeting shall so determine, a vote by ballot may be taken upon an election or matter, and the vote shall be so taken upon the request of ten percent (10%) or more of all of the members entitled to vote on such election or matter. In either of such events, the proxies and ballots shall be received and be taken in charge and all questions touching the qualification of votes and the validity of proxies and the acceptance or rejection of votes, shall be decided by the tellers. Such tellers shall be appointed by the chairman of said meeting.

Special assessments as established and described in the Cottage Grove Declaration, Covenants and Affirmative Obligations and irregular or extraordinary increase in the maximum assessments, shall be assessed only by a consent vote of two-thirds (2/3rd.) of all members who are voting in person or by proxy at a meeting duly called for this purpose.

SECTION 8. Identity of Members. Then members of the Corporation shall be composed of those members who shall have been appointed as such by a majority of the entire Board of Directors; and shall retain their status as members so long as they pay any all annual dues imposed by the Corporation upon its members.

SECTION 9. Directors as Members. The Board of Directors of the Corporation shall be the members and when meeting as Directors may exercise the rights and powers of members if they Charter or these By-Laws do not provide for members of the Corporation or in fact the Corporation has no members.

ARTICLE II

SECTION 1. General Powers. The property and business of the Corporation shall be managed under the direction of the Board of Directors of the Corporation.

SECTION 2. Number and Term of Office. The number of directors shall be three (3) or such other number, but not less than three (3) nor more than nine (9), as may be the entire Board of Directors. Directors shall be members. The directors shall serve for a period of one (1) year or until the next annual meeting. At each annual meeting, the successor directors shall be elected to hold office for a term of one (1) year.

SECTION 3. Nomination and Election of Directors. At least thirty (30) days prior to the Annual Meeting of the members of the Corporation, the Nominating Committee shall decide upon a slate of

directors, and shall present such slate to the Board of Directors of the Corporation not less than twenty (20) days prior to said Annual Meeting. Upon written request of at least one of the members of the Corporation, made to a member of the Nominating Committee not less than ten (10) days prior to said Annual Meeting, designating an additional slate or slates of directors, the Nominating Committee shall present such slate or slates to the Board of Directors of the Corporation. Immediately thereafter, the Secretary shall apprise the members of the Corporation of said slate of slates.

The Nominating Committee shall thereafter present the said slate or slates of nominees to the members of the Corporation for election at the Annual Meeting.

SECTION 4. Filling of Vacancies. In the case of any vacancy in the Board of Directors through death, resignation, disqualification, removal or other cause, the remaining directors, by affirmative vote of the majority thereof, may elect a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant, or until he shall be removed, prior thereto, by an affirmative vote of a majority of the members.

Similarly and in the event of the number of directors being increased as provided in these By-Laws, the additional directors so provided for shall be elected by a majority of the entire Board of Directors already in office, and shall hold office until the next annual meeting of members.

Any director may be removed from office with or without cause by the affirmative vote of a majority or the members entitled to vote at any special meeting of the members regularly called for the purpose.

SECTION 5. Place of Meeting. The Board of Directors may hold their meetings and have one or more offices, and keep the books for the Corporation, either within or outside the State of Maryland, at such place or places as they may from time to time determine by resolution or by written consent of all the directors. The Board of Directors may hold their meetings by conference telephone or other similar electronic communications equipment in accordance with the provisions of the Maryland Corporation law.

SECTION 6. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by resolution of the Board, provided that notice of every resolution of the Board fixing or changing the time or place for the holding of regular meetings of the Board shall be mailed to each director at least three (3) days before

the first meeting held pursuant thereto. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of members at which a Board of Directors is elected. Any business may be transacted at any regular meeting of the Board.

SECTION 7. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by any member of the Board of Directors. The Secretary shall give notice of each special meeting of the Board of Directors by mailing the same at least three (3) days prior to the meeting or by telegraphing the same at least two (2) days before the meeting, to each director; but such notice may be waived by any director. Unless otherwise indicated in the notice thereof, any and all business may be transacted at any special meetings. At any meeting at which every director shall be present, even though without notice, any business may be transacted at any director may in writing waive notice of the time, place and objectives of any special meeting.

SECTION 8. Quorum. A majority of the whole number of directors shall constitute a quorum for the transaction of business at all meetings of the Board of Directors, but, if any meeting less than a quorum shall be present, a majority of those present may adjourn the meeting from time to time, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law or by the Article of Incorporation or by these By-Laws.

SECTION 9. Required Vote. An affirmative vote of a majority of those present shall be necessary for the passage of any resolution.

SECTION 10. Compensation of Directors. Directors shall not receive any stated salary for their services as such, but each director shall be entitled to receive from the corporation reimbursement of the expenses incurred by him in attending any regular or special meeting of the Board, and, by resolution of the Board of Directors, a fixed sum may also be allowed for attendance at each regular or special meeting of the Board and such reimbursement and compensation shall be payable whether or not a meeting is adjourned because of the absence of a quorum. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 11. Nominating Committee. The Board of Directors shall elect a Nominating Committee consisting of the President and at least one other director. The Nominating Committee

shall be selected by the Board of Directors at the regular meeting of the Board of Directors following the annual meeting.

SECTION 12. Committee. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of two or more of the directors of the directors of the Corporation, which, to the extent provided in the resolution, shall have any may exercise the powers of the Board of Directors, and may authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such names as may be determined from time to time by resolution adopted by the Board of Directors.

ARTICLE IV

Officers

SECTION 1. Election, Tenure and Compensation. The officers of the Corporation shall be a President, a Secretary, and a Treasurer, and also such other officers including a Chairman of the Board and/or one or more Vice Presidents and/or one or more assistants to the foregoing officers as the Board of Directors from time to time may consider necessary for the proper conduct of the business of the Corporation. The officers shall be elected annually by the Board of Directors at its first meeting following the annual meeting of the members except where a long term is expressly provided in an employment contract duly authorized and approved by the Board of Directors. The President and Chairman of the Board shall be directors and the other officers may, but need not be, directors. Any two or more of the above offices, except those of President and Vice President, may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law or by these By-Laws to be executed, acknowledged or verified by any two or more officers. The compensation or salary paid all officers of the corporation shall be fixed by resolutions adopted by the Board of Directors.

In the event that any office other than an office required by law, shall not be filled by the Board of Directors, all officers and agents of the Corporation shall be subject to removal at any time by the affirmative vote of a majority of the whole Board of Directors, and all officers, agents, and employees shall hold office at the discretion of the Board of Directors or of the officers appointing them.

SECTION 2. Powers and Duties of the Chairman of the Board. The Chairman of the Board shall

preside at all meetings of the Board of Directors unless the Board of Directors shall by a majority vote of the quorum thereof elect a chairman other than the Chairman of the Board to preside at meetings of the Board of Directors. He may sign and execute all authorized bonds, contracts or other obligations in the name of the Corporation; and he shall be ex-officio a member of all standing committees.

SECTION 3. Powers and Duties of the President. The President shall be the chief executive officer of the corporation and shall have general charge and control of all its business affairs and properties. He shall preside at all meetings of the members.

The President may sign and execute all authorized bonds, contracts or other obligations in the name of the Corporation. He shall have the general powers and duties of supervision and management usually vested in the office of president of a corporation. The President shall be ex-officio a member of all the standing committees. He shall do and perform such other duties as may, from time to time, be assigned to him the Board of Directors.

In the event that the Board of Directors does not take affirmative action to fill the office of Chairman of the Board, the President shall assume and perform all powers and duties given to the Chairman of the Board by these By-Laws.

SECTION 4. Powers and Duties of the Vice President. The Board of Directors shall appoint a vice President and may appoint more than one Vice President. Any Vice President (unless otherwise provided by resolution of the Board of Directors) may sign and execute all authorized bonds, contracts, or other obligations in the name of the Corporation. Each Vice President shall have such other powers and shall perform such other duties as may be assigned to him by the Board of Directors or by the President. In the case of the absence or disability of the President, the duties of that office shall be performed by any Vice President, and the taking of any action by any such Vice President in place of the President shall be conclusive evidence of the absence or disability of the President.

SECTION 5. Secretary. The Secretary shall give, or cause to be given, notice of all meetings of members and directors and all other notices required by law or these By-Laws, and in case of his absence or refusal or neglect to do so, any such notice may be given by any person thereunto directed by the President, or by the directors or members upon whose written request the meeting is called as provided in these By-Laws. The Secretary shall record all the proceedings of the meetings of the members and of the directors in books provided for that purpose, and he shall perform such other

duties as may be assigned to him by the directors or the President. He shall have custody of the seal of the Corporation and shall affix the same to all instruments requiring it, when authorized by the Board of Directors or the President, and attest the same. In general, the Secretary shall perform all the duties generally incident to the office of Secretary subject to the contract of the Board of Directors and the President.

SECTION 6. Treasurer. The Treasurer shall have custody of all the funds and securities of the Corporation, and he shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. He shall deposit all monies and other valuables in the name and to the credit of the Corporation in such depository or depositories as may be designated by the Board of Directors

The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. He shall render to the President and the Board of Directors, whenever either of them so requests, an account of all his transactions as treasurer and of the financial condition of the Corporation.

The Treasurer shall give the Corporation a bond, if required by the Board of Directors, in a sum, and with one or more sureties, satisfactory to the Board of Directors, for the faithful performance of the duties of his office and for the restoration to the Corporation in case of his death, resignation, retirement or removal from office of all books, papers, vouchers, monies, and other properties of whatever kind in his possession or under his control belonging to the Corporation.

The Treasurer shall perform all the duties generally incident to the office of the treasurer, subject to the control of the Board of Directors and the President.

SECTION 7. Assistant Secretary. The Board of Directors may appoint an Assistant Secretary or more than one Assistant Secretary. Each Assistant Secretary shall (except as otherwise provided by resolution of the Board of Directors) have power to perform all duties of the Secretary in the absence or disability of the Secretary and shall have such other powers and shall perform such other duties as may be assigned to him by the Board of Directors or the President. In case of the absence or disability of the Secretary, the duties of the office shall be performed by any such Assistant Secretary, and the taking of any action by any such Assistant Secretary in the place of the Secretary shall be conclusive evidence of the absence or disability of the Secretary.

SECTION 8. Assitant Treasurer. The Board of Directors may appoint an Assistant Treasurer or more than one Assistant Treasure. Each Assistant Treasurer shall (except as otherwise provide by resolution of the Board of Directors) have power to perform all duties of the Treasurer in the absence or disability of the Treasurer and shall have such other powers and shall perform such other duties as may be assigned to him by the Board of Directors or the President. In case of the absence or disability of the Treasurer, the duties of his office shall be performed by any Assistant Treasurer, and the taking of any action by any such Assistant Treasurer in place of the Treasurer shall be conclusive evidence of the absence or disability of the Treasurer.

ARTICLE V

Corporate Seal

SECTION1. Seal. In the event that the President shall direct the Secretary to obtain a corporate seal, the corporate seal shall be circular in form and shall have inscribed thereon the name of the Corporation, the year of its organization, and the work "Maryland". Duplicate copies of the corporate seal may be provided for use in the different offices of the Corporation, but each copy thereof shall be in the custody of the Secretary of the Corporation or of an Assistant Secretary of the Corporation nominated by the Secretary.

ARTICLE VI

Bank Accounts and Loans

SECTION 1. Bank Accounts. Such officers of agents of the Corporation as from time to time shall be designated by the Board of Directors shall have authority to deposit any funds of the Corporation in such banks or trust companies as shall from time to tome be designated by the Board of Directors, and such officers of agents as from time to time shall bee authorized by the Board of Directors may withdraw any or all of the funds of the Corporation so deposited in any such bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the accounts or in the name or behalf of this Corporation, and made or signed by such officers or agents; and each bank or trust company with which funds of the Corporation are so deposited is authorized to accept, honor, cash and pay , without limit as to amount, all checks, drafts or other instruments or order or the payment of money when drawn, made or signed by officers or agents to designated by the Board of Directors until written notice of the revocation of the authority of such

officers or agents by the Board of Directors shall have been received by such bank or trust company. There shall from time to time be certified to the banks or trust companies in which funds of the Corporation are deposited, the signature of the officers or agents of the Corporation so authorized to draw against the same. In the event that the Board of Directors shall fail to designate the persons by whom checks, drafts and other instruments or orders for the payment of money shall be signed as hereinabove provided in the Section, all of the checks, drafts and other instruments or orders for the payment of money shall be signed by the President or a Vice President and countersigned by the Secretary or Treasurer or an Assistant Secretary or an Assistant Treasurer of the Corporation.

SECTION 2. Loans. Such officers or agents of this Corporation as from time to time shall be designated by the Board of Directors shall have authority to effect loans, advances or other forms of credit at any time or times for the Corporation from such banks, trust companies, institutions, corporations, firms or persons as the Board of Directors shall from time to time designate, and as security for the repayment of such loans, advances, or other forms of credit to assign, transfer, endorse and deliver, either original or in addition or substitution, any or all stocks, bonds, rights and interests of any kind in or to stocks or bonds, certificates or such rights or interest, deposits, accounts, documents covering merchandise, bills and accounts receivable and other commercial paper and evidences of debt at any time held by the Corporation; and for such loans, advances or other forms of credit to make, execute and deliver one or more notes, acceptances or written obligations of the Corporation on such terms, and with such provisions as to the security or sale or disposition thereof as such officers or agents shall deem proper; and also to sell to, or discount or rediscount with, such banks, trust companies, institutions, corporations, firms or persons any and all commercial paper, bills receivable, acceptances and other instruments and evidences of debt at any time held by the Corporation, and to that end to endorse, transfer and deliver the same. There shall from time to time be certified to each bank, trust company, institution, corporation, firm or person so designated, the signature of the officers or agents so authorized; and each such bank, trust company, institution, corporation, firm or person is authorized to rely upon such certification until written notice of the revocation by the Board of Directors of the authority of such officers or agents shall be delivered to such bank, trust company, institution, corporation, firm or person.

ARTICLE VII

Reimbursements

Any payment to an officer or other employee of the Corporation, such as salary, commission, interest or rent, or entertainment expense incurred by him, which shall be disallowed in whole or in part as a deductible expense by the Internal Revenue Service, shall be reimbursed by such officer or other employee or the Corporation to the full extent of such disallowance. It shall be the duty of the Directors, as a Board, to enforce payment of each amount disallowed. In lieu of payment by the officer or other employee, subject to the determination of the Board of Directors, proportionate amounts may be withheld from his future compensation payments until the amount owed to the Corporation has been recovered

ARTICLE VIII

Miscellaneous Provisions

SECTION 1. Fiscal Year. The fiscal year of the Corporation shall end on the last day of December of every year.

SECTION 2. Indemnification of Directors and Officers. The Corporation shall indemnify and advance expenses to a director or officer of the Corporation in connection with a proceedings to the fullest extent permitted by and in accordance with the Indemnification Section.

SECTION 3. Indemnification of Employees and Agents. With respect to an employee or agent, other than a director or officer of the Corporation, the Corporation may, as determined by the Board of Directors of the corporation, indemnify and advance expenses to such employee or agent in connection with a proceeding to the extent permitted by and in accordance with the indemnification Section.

Date: 1/1/84 _____
Secretary

Mailed to: _____

Enclosed is a copy of current GUIDELINES developed by the Architectural Committee and approved by the Board of Directors on 22 April 1987.

They are effective immediately and require the cooperation of all homeowners to assist the

Architectural Committee in maintaining records for each lot.

All previous and future modifications, alterations, and additions shall comply with current guidelines. The exemptions are grandfathered fences on lots 58-A and 59-A and previously approved submissions.

Every Homeowner which have additions or alterations NOT shown on their Plot Plan and have not submitted an application since 1 January 1987, will be required to do so by 15 May 1987. Be sure to read and follow the guideline for which your application is submitted. This will reduce review time and any additional information needed. Remember to submit a separate application for each modification, alteration or addition.

Any observed alteration/addition noted after 15 May 1987 will be under review for violation complaint to Anne Arundel County Zoning Enforcement office.

A copy of approved/disapproved application will be returned to Homeowner as soon as it is reviewed.

Also enclosed is a copy of Architectural Committee Duties, Responsibilities, and Restrictions as approved by Board of Directors.

Any suggestions for changes or additions will be reviewed by Architectural Committee.

Any questions regarding guidelines can be forward to C.G.P.O.A. at the above address or contact Steve Salmi at 437-9326.

COTTAGE GROVE PROPERTY OWNERS ASSOCIATION

GUIDELINES

SUBMITTED BY ARCHITECTURAL COMMITTEE

APPROVED BY BOARD OF DIRECTORS

APPROVED 22 APRIL 1987

<INSERT DIAGRAM 1>

C.G.P.O.A
GUIDELINES NO. 1

MAR 25, 1987

STRUCTURE REGULATIONS (GENERAL)

1. Two types of structures exist: PRINCIPLE and ACCESSORY.
2. A structure means “anything constructed the use of which requires permanent location on the ground or attachment to something permanently located on the ground.” (REF- ART. 28, 1-119 (a) (1)).
3. “In this article, “structure” includes a mobile manufactured home, a parking garage, and a swimming pool.” (REF-ART. 28, 1-119 (a) (3)).
4. “In this article, “structure” does not include a walk, a driveway, a fence, or an at-grade parking lot.” (REF-ART. 28, 1-119 (a) (3)).
5. “”Principal structure” means the structure that is intended to serve the principal use of the lot on which it is located. An accessory structure that is attached to a principle structure, directly or by a breezeway, is part of the principal structure.” (REF-ART. 28, 1-119 (e)). An example is your house.
6. “”Accessory structure” means a structure that customarily is incidental and subordinate to the principla use of principal structure located on the same lot as the accessory structure.” (REF-ART. 28, 1-119 (b)). An example is an unattached shed.
7. AREA REQUIREMENTS – “No more than forty (40%) of the net area of the lot may be covered by structures, including accessory structures.” (REF-ART. 28, 2-505 (b)).
8. YARDS AND SETBACKS-“(a) Each lot in a R%-Residential District shall have: two (2) sides yards at least seven feet wide and with total width of the side yards at least 20 feet, except that a corner lot shall have a side building line at least 20 feet from and parallel to the side street line or right-of-way; and (REF-ART. 28, 2-506 (a)(2)). See Diagram 1.

(3) a rear yard that is at least 20 feet deep.” (REF-ART. 28, 2-506 (a)(2)).

9. ACCESSORY STRUCTURES-“(a) Each accessory structure in an R5-Residential District shall:

- (1) be located only in a rear yard, except that it may be located in a side yard if screened from the road; (REF-ART. 28, 2-507 (a)(1)).
- (2) occupy no more that forty (40%) of the yard; (REF-ART. 28, 2-507 (a)(2)).
- (3) be located at least fifty (50) feet from the front lot or street right-of-way; (REF-ART. 28, 2-507 (a)(3)).
- (4) be located at least ten (10) feet from any side lot line; and (REF-ART. 28, 2-507 (a)(4)).
- (5) be located at least ten (10) feet from any alley line or the rear lot line.” (REF-ART. 28, 20507 (a)(5)).

10. “...an accessory structure on a corner lot may not be located less than fifteen (15) feet from any side street line.” (REF-ART. 28, 2-507 (b)).

11. “Any accessory structure attached to a principal structure, including attachment by means of a breezeway or roof passage, shall comply with the requirements of this article concerning principal structures. All other accessory structures shall conform to the requirements for accessory structures in the district in which they are located.” (REF-ART. 28, 10-106 (d)).

C.G.P.O.A.

GUIDELINES NO. 1 (CONTINUED)

MAR 25, 1987

12. “An accessory structure may not dominate in area, extent, or purpose the principal use of structure to which it is accessory. An accessory structure may not be built without a principle structure.” (REF-ART. 28, 10-106 (d)).

13. “Except for a principal use in a mobile home park, where a principal or accessory use occupies a building or is sheltered by a structure, the building or structure shall be permanently attached to the ground or to something having permanent location on the ground.” (REF-ART. 28, 10-115)

14. NOTE 1-All references indicated as “LOT LINES” refer to joined lots i.e. “3-A AND 3-B”. All references indicated as “PROPERTY LINES” refers to individual Homeowners property line.

15. NOTE 2- In order to prevent future disputes between connecting properties, the unattached side of the principal structure will require a ten (10) foot set-back (minimum) in lieu to the seven (7) foot required by the County (REF para 8). This will maintain the total side yard of 20 feet.

ALL REFERENCES ARE FROM ANNE ARUNDEL COUNTY ZONING REGULATIONS –
ARTICLE 28

C.G.P.O.A.
GUIDELINE NO. 2

MAR 25, 1987

MISCELLANEOUS EXTERIOR ALTERATIONS AND APPENDAGES

1. It is impossible to write guidelines for every individual exterior alteration. When a guideline does not exist, this general guideline will apply.
2. The purpose of this and all guidelines is to maintain and promote the continuity and beauty of the community and each individual Homeowners property value.
3. All exterior alterations, modifications, add-ons, construction and appendages will require and exterior application form to be completed with exception as noted herein, i.e. guidelines.
4. Emphasis should be placed on proper scale to plot plan, materials, colors, and impact on neighboring properties. Sufficient details should be included to permit the Architectural Committee to understand completely what will be done.