

DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS FOR RIVER DOWNS HOMEOWNERS'  
ASSOCIATION

THIS DECLARATION is made this 8<sup>th</sup> day of November,  
1993, by RIVER DOWNS PARTNERSHIP, a Maryland general partnership  
(the "Declarant").

RECITALS

A. Declarant is the owner of certain real property located in Carroll County, Maryland, more particularly described in Exhibit A attached hereto and incorporated herein.

B. Declarant intends by this Declaration to impose upon the Property (hereinafter defined) mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of real property. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Property, and to establish a method for the administration, maintenance, preservation, use and enjoyment of the Property now or hereafter subjected to this Declaration.

C. Declarant has caused or will cause a non-profit membership corporation known as River Downs Homeowners' Association, Inc. (the "Association") to be formed in order to perform certain functions on behalf of the owners of lots within the Property, including, but not limited to, the enforcement of the covenants, conditions and restrictions herein set forth, and for the management of the common areas to be owned by the Association, and collection and disbursement of the assessments and charges hereinafter created.

NOW, THEREFORE, Declarant covenants and declares on behalf of itself and its successors and assigns, that the Property shall be held, sold and conveyed subject to the following easements, covenants, conditions and restrictions, for the purpose of protecting the value and desirability, and enhancing the attractiveness of the Property and which shall run with the Property and shall be binding upon all parties having any right, title or interest in the Property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner of the Property or any part thereof and their respective heirs, personal representatives, successors and assigns, and the Association.

ARTICLE I

Definitions

1.1 As used herein, the following words and terms are defined to mean as indicated:

1.2 "Additional Property" shall mean the real property described in Exhibit A and all Structures situated on such real property, excluding, however, the property described on Exhibit B and excluding the fee simple property designated on the Subdivision Plat(s) as belonging to the River Downs Golf Course Limited Partnership.

1.3 "Architectural Committee." shall mean either the New Construction Architectural Committee or the Modifications Architectural Committee, whichever is appropriate, unless otherwise specifically designated.

1.4 "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of River Downs Homeowners' Association, Inc.

1.5 "Association" shall mean and refer to River Downs Homeowners' Association, Inc., a Maryland corporation, as formed or to be formed by Declarant.

1.6 "Board of Directors" means the Board of Directors from time to time of the Association.

1.7 "By Laws" shall mean and refer to the corporate by laws of the Association as amended from time to time.

1.8 "Common Areas" shall mean those lots or areas of land within the Property or the Additional Property shown on the Subdivision Plat(s) designated as an "HOA Lot," and is intended to be the entire Property, save and except for Lots, the Open Space transferred or intended to be transferred to the County Commissioners of Carroll County, and the property designated on the Subdivision Plat as belonging to the River Downs Golf Course Limited Partnership. The Common Area shall include all roads, streets and parking areas within the Property unless the same are dedicated to the County or State for public use, or unless the same are private driveways.

1.9 "Declaration of Annexation" shall mean an amendment or supplement to this Declaration executed by or consented to by the Declarant and/or any required additional parties as set forth herein, and recorded among the Land Records of Carroll County which subjects all or any portion of the Additional Property to this Declaration.

1.10 "Declaration of Golf Easement" shall mean a declaration of an easement area over the Lots for golf course construction and golf play executed by Declarant and recorded among the Land Records of Carroll County immediately prior to this Declaration.

1.11 "Declarant" shall mean River Downs Partnership, and its successors and assigns, to which it shall convey or otherwise transfer its right, title and interest to all or any part of the Property and in so doing expressly designates the transferee or transferees as a Declarant hereunder.

1.12 "Development Period" shall mean the period that is two (2) years from the date this Declaration is recorded among the Land Records of Carroll County, Maryland. With respect to any land annexed to the Property by Declarant as herein permitted, the "Development Period" shall mean the time that is two (2) years from the time that such land is annexed to the Property by recording of Declaration of Annexation among the Land Records of Carroll County, Maryland.

1.13 "HOA Lot" shall mean the Common Areas.

1.14 "Golf Course Easement" shall mean that area designated as the Golf Course Easement on the Subdivision Plat(s) and as defined and described in the Declaration of Golf Easement executed by Declarant and recorded or intended to be recorded among the Land Records of Carroll County immediately prior to this Declaration. The Golf Course Easement area encompasses portions of many of the Lots.

1.15 "Lot" shall mean a lot or parcel of ground shown on the recorded Subdivision Plat(s) designated as a "Lot," with the exception of (a) the HOA Lots; (b) Open Space transferred or intended to be transferred to the County Commissioners of Carroll County, Maryland; (c) fee simple property designated on the Subdivision Plat(s) as belonging to River Downs Golf Course Limited Partnership; and (d) the beds and rights of way of any public road or street.

1.16 "Member" shall mean all persons or entities who hold membership in the Association as provided in this Declaration.

1.17 "Modifications Architectural Committee" shall mean the committee by that name established pursuant to Article VII hereof.

1.18 "New Construction Architectural Committee" shall mean the committee by that name established pursuant to Article VII hereof.

1.19 "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot or, if a Lot is subject to a reversion reserved in a lease redeemable pursuant to Title 8 of the Real Property Article, Annotated Code of Maryland, the owner of the leasehold interest, and not the holder of title as such of the reversionary interest; including contract

sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.20 "Property" shall mean that certain property described in Exhibit B attached hereto and incorporated herein, and such additions thereto as may hereafter be brought within the jurisdiction of the Association and subjected to this Declaration as herein provided, but shall specifically not include that fee simple property designated on the Subdivision Plat(s) as belonging to the River Downs Golf Course Limited Partnership.

1.21 "River Downs Golf Course" shall mean that property adjacent to the Property and the Additional Property developed or to be developed as an 18-hole public golf course and designated as River Downs Golf Course on the Subdivision Plat(s).

1.22 "River Downs Golf Course Community" shall mean the Property and the Additional Property and the River Downs Golf Course.

1.23 "River Downs Golf Course Limited Partnership" shall mean the owner of the River Downs Golf Course.

1.24 "Section" shall mean two or more Lots and/or Common Areas which will simultaneously be made subject to the provisions of this Declaration either by recordation of this Declaration or by recordation of a Declaration of Annexation.

1.25 "Structure" means any thing or device the placement of which upon the Property (or any part thereof) may affect the appearance of the Property (or any part thereof) including, by way of illustration and not limitation, any building, trailer, garage, porch shed, greenhouse, or bath house, coop or cage, covered or uncovered patio, swimming pool, clothesline, radio, television or other antenna, fence, sign, curbing, paving, wall, roadway, walkway, exterior light, landscape, hedge, trees, shrubbery, signboard or any temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement made to the Property or any part thereof. "Structure" shall also mean (i) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across the Property, and (ii) any change in the grade of the property (or any part thereof) of more than six (6) inches from that existing at the time of first ownership by a Class A member hereunder.

1.26 "Subdivision Plat(s)" shall mean the recorded subdivision plat(s) of the Property and the Additional Property, recorded or intended to be recorded among the Land Records of Carroll County, Maryland.

## ARTICLE II

### Property Rights

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

2.2 Grant of Common Areas. Declarant covenants that it will convey to the Association, prior to conveyance of the first Lot to a Class A (as defined in Section 4.2.1) member, the Common Areas designated on the subdivision plat for the Section in which the Lot is located, and the Association shall accept from Declarant the Common Areas for such Section and shall hold them subject to the provisions hereof.

2.3 Owners' Easements of Enjoyment. Every Owner shall have a right and nonexclusive easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

2.3.1 The right of the Association to charge reasonable admission and other fees for the use of any recreation facility situated upon the Common Areas;

2.3.2 The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid.

2.3.4 The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of Members agreeing to such dedication or transfer has been recorded.

2.3.5 The rights granted and conveyed to others or reservations for:

(a) Golf course purposes, including construction and maintenance easements, golf cart path easements, utility easements and all other matters set forth in the Declaration of Golf Easement executed by the Declarant and recorded or intended to be recorded among the Land Records of Carroll County; and

(b) Conservation easements, general utility easements, foot path or walking trail easements, stream buffer easements, sediment control easements and access easements, all of which rights and easements are set forth either (1) in easement agreement documents executed by the Declarant and recorded among the Land Records of Carroll County, or (2) in plats or plans approved by the County Commissioners of Carroll County, Maryland and its agencies and filed among the records thereof.

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

2.5 Structures. Except as otherwise permitted by the provisions of this Declaration, no Structure shall be erected, placed or maintained on any Common Area except (i) structures designed exclusively for the common use of Owners, including, but not limited to, benches, chairs or other seating facilities, fences and walls, walkways, roadways, gatehouse, swimming pool, tennis court(s) and pumping station(s) and similar recreational facilities; and (ii) water lines, golf cart paths, electric lines, maintenance and other roadways and drainage, storm and utility systems. The Common Areas may be graded, planted with trees and shrubs and other plants placed and maintained thereon for the use, comfort and enjoyment of the Owners; for the establishment, retention or preservation of the natural growth or topography of the Common Areas; for use as part of the adjoining River Downs Golf Course; or for aesthetic reasons.

2.6 Rules. The Association shall have the right to prescribe reasonable rules and regulations governing the use of the Lots and Common Areas, which rules and regulations shall be applied equally to all Owners. The Association shall have the right to suspend use of the Common Areas by an Owner for a period of not less than seven (7) days nor more than sixty (60) days for an infraction of its published rules and regulations. The Association shall have the right to impose monetary penalties for violation of any rules or of the provisions of this Declaration. Such penalties shall be part of the lien for assessments against the Lot of the violator.

2.7 Association Management. The Association may improve, develop, supervise, manage, operate, examine, inspect, care for, repair, replace, restore and maintain the Common Areas, including (by way of illustration, not limitation) streets, roadways, sidewalks and parking areas, and all trees, shrubbery and other plants and landscaping, together with any items of personal property placed or installed thereon, at the cost and expense of the Association; provided, however, Declarant hereby reserves to itself and its specific assigns the exclusive right to provide maintenance, landscaping and control over those portions of the

Common Areas which are included within the boundaries of the River Downs-Golf Course or within the Golf Cart Path Easement Area, all as may be shown on the Subdivision Plat(s) or described in deeds or easement documents executed by the Declarant and recorded among the Land Records of Carroll County.

2.8 Golf Course Amenity. Although it is anticipated at the time of execution and recordation of this Declaration that the River Downs Golf Course Limited Partnership shall construct and maintain the River Downs Golf Course as part of the River Downs Golf Course Community, no representations or warranties have been or are made by the Declarant or any other person with regard to the construction, continuing ownership or operation of any such golf course amenity and no purported representation or warranty in such regard, either written or oral, shall ever be effective without an amendment to this Declaration executed or joined into by the Declarant. Furthermore, the ownership or operational duties of and as to the golf course amenity may change at any time and from time to time by virtue of, but without limitation, (a) the sale or assumption of operation of the River Downs Golf Course Limited Partnership by or to an independent entity, or (b) the conveyance, pursuant to contract option or otherwise of the golf course amenity to a third party, no consent of the association or any owner shall be required to affect a transfer or conversion of the River Downs Golf Course Limited Partnership property.

### ARTICLE III

#### Reserved Rights of Declarant

3.1 Reserved Rights of Declarant. The Association shall hold the Common Areas conveyed to it by Declarant subject to the following:

3.1.1 The reservation to Declarant, its successors and assigns, of an easement over any road in the Common Areas, such easement for the purpose of ingress and egress and the installation and maintenance of public and private utilities to serve the Property and any part thereof, including any Lot.

3.1.2 The right of Declarant to store building supplies, construction equipment and other similar property on any Lot it owns and/or on the Common Areas. This reserved right shall expire one (1) year after completion of construction of all improvements by Declarant, its successors or assigns.

3.2 Grading. Declarant further reserves unto itself, its successor and assigns, the right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Lot and grade a portion of such Lot adjacent to such street, provided such grading does not materially interfere with the use or occupancy of a residence built or to be built on

such Lot, but said Declarant shall not be under any obligation or duty to do such grading or to maintain any slope.

3.3 Sales and Construction Offices. During the Development Period, Declarant may construct, maintain and operate real estate sales and construction offices, model homes, displays, signs and special lighting on any part of the Common Areas or on any Lot it owns and on or in any building or Structure now or hereafter erected thereon.

3.4 Easement for Utilities. Declarant, for itself, its successors and assigns including, without limitation, River Downs Golf Course Limited Partnership, reserves an easement on, over and under the Common Areas for the purpose of ingress and egress and the installation and maintenance of public and private utilities to serve the Property, River Downs Golf Course and the Lots, including, but not limited to, the right to lay, install, construct and maintain golf paths, maintenance roads, pipes, drains, mains, conduits, lines, meters and other facilities for access, irrigation, golf course purposes, water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant or by River Downs Golf Course Limited Partnership to be necessary or advisable to provide service to the River Downs Golf Course and to any Lot, or in the area or on the area in which the same is located, together with the right and privilege of entering upon the Common Areas for such purposes and making openings and excavation thereon, which openings and excavations shall be restored in a reasonable period of time.

3.5 Amendment of Plats. No right shall be conferred upon any Owner or Member by the recording of any Plat relating to the development of the Property described herein to require the development of said Property in accordance with such Plat, Declarant expressly reserving unto itself the right to make such amendments to any such Plat or Plats as shall be advisable in its best judgment and as shall be acceptable to public authorities having the right to approval thereof.

#### ARTICLE IV

##### Association Membership and Voting Rights

4.1 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.

4.2 Voting. The Association shall have two (2) classes of voting membership:



4.2.1 Class A. Class A Members shall be all Owners with the exception of Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as the Owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

4.2.2 Class B. The Class B Member shall be Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease, and shall be converted to Class A membership on the happening of the first 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) December 31, 1996.

#### ARTICLE V

#### Covenant for Maintenance Assessments

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

5.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of Lots within the Property and for the improvement and maintenance of the Common Areas and as is otherwise consistent with the rights and responsibilities of the Association hereunder and for the benefit of the Members.

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

5.4 Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One Hundred Dollars (\$100.00) per Lot.

5.4.1 From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each fiscal year of the Association not more than ten percent (10%) above the annual assessment for the previous fiscal year without a vote of the membership.

5.4.2 From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten percent (10%) of the annual assessment for the previous fiscal year by a vote of a majority of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

5.4.3 The Board of Directors may fix the annual assessment at any amount not in excess of the maximum.

5.5 Special Assessments. In addition to the annual assessments authorized above, the Board of Directors may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, and/or to meet any other deficit of the Association or any emergency or unforeseen expenses of the Association.

5.6 Notice and Quorum for Any Action Authorized under Sections 5.4 and 5.5. Written notice of any meeting called for the purpose of taking an action authorized under Sections 5.4 or 5.5 shall be sent to all Members not less than ten (10) 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 sixty percent (60%) of all the votes of each class of Members shall constitute a quorum. If the required quorum is not present, further meetings may be called subject to the same notice requirement, and the required quorum at any 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.

5.7 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, or other periodic basis not more often than monthly, or less often than annually, as provided by the Board of Directors; provided, however, that any Class B member(s) shall only be required to pay twenty-five percent (25%) of the assessment for each Lot owned by the Class B Member.

5.8 Additional Assessments. Additional assessments may be fixed against any Lot only as provided for in this Declaration. Any such assessments shall be due as provided by the Board of Directors in making any such assessment.

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

5.10 Date of Commencement of Annual Assessments; Due Dates; Certificate of Payment of Assessments.

5.10.1 The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first Lot from the Declarant to an Owner. The first annual assessment shall be fixed by the Board of Directors and shall be adjusted according to the number of months remaining in the fiscal year. Thereafter, the Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

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

5.11 Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after

the due date shall bear interest from the due date at the rate of ten percent (10%) per annum, and shall be subject to a reasonable late charge in an amount established from time to time by resolution of the Board of Directors, and the Board of Directors shall have the right to declare the entire balance of the annual assessment and accrued interest thereon to be immediately due and payable. In addition, the Owner shall be liable for all costs of collecting any such assessment, including attorney's fees and court costs. The Association may bring an action at law against the Owner personally obligated to pay the same and/or, without waiving any other right, may foreclose the lien against the Lot. 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.

5.12 Maryland Contract Lien Act. The Association may establish and enforce the lien for any amounts due hereunder pursuant to the Maryland Contract Lien Act. The lien is imposed upon the Lot against which such assessment is made. The lien may be established and enforced for damages, costs of collection, late charges permitted by law, and attorney's fees provided for herein or awarded by a court for breach of any of the covenants herein.

5.13 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any recorded first mortgage or deed of trust now or hereafter placed against a Lot, unless such lien for assessments hereunder has been duly recorded as such among the Land Records of Carroll County, Maryland prior to the recording of such mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, any contract purchaser of a Lot shall be entitled, on written request to the Association, to a statement in writing from the Association setting forth the amount of any unpaid assessments against the Owner of the Lot due the Association and such purchaser shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessments made by the Association against the Owner-Grantor or the Lot in excess of the amount set forth in such statement. The sale or transfer of any Lot pursuant to foreclosure, or any proceeding in lieu thereof, of a mortgage senior in priority to the assessment lien, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from any lien therefor.

5.14 Exempt Property. All property dedicated to and accepted by a public authority and all property owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Maryland shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessment.

5.15 Initial Assessment. The first Class A Member of each Lot shall pay to the Association as an initial assessment a sum equal to two (2) times the initial monthly assessment applicable to the Lot. Such sum shall be payable within thirty (30) days after conveyance of the Lot to a Class A Member.

## ARTICLE VI

### Maintenance

6.1 Owner's Responsibility. The Owner of each Lot shall keep such Owner's respective Lot, and all improvements thereon, in good order and repair, including, but not limited to, the seeding, watering and mowing of all lawns and yards, keeping all sidewalks neat, clean, in good repair, and free of ice and snow, installation and maintenance of drainage swales within the boundaries of the Lot, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and Structures on the Lot, all in a manner and with such frequency as is consistent with good property management and maintenance. If, in the opinion of the Modifications Architectural Committee, any Owner fails to perform the duties imposed hereunder, the Association, on affirmative action of a majority of the Board of Directors, after fifteen (15) days written notice to the Owner to remedy the condition in question, and upon failure of the Owner to remedy the condition, shall have the right (but not the obligation), through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint and restore the Lot and the improvements or Structures thereon, and the cost thereof shall be a binding, personal obligation of such Owner of the Lot, and as an additional assessment on the Lot in the same manner and under the same terms as Section 5.11 and Section 5.12 hereof; provided, however, that any portion of a Lot which lies within the Golf Course Easement shall be landscaped and maintained by the Declarant or the River Downs Golf Course Limited Partnership, its specific successors and assigns, all as set forth in the Declaration of Golf Easement.

6.2 Association's Responsibility. The Association shall maintain and keep in good repair the Common Areas, such maintenance to be funded out of the Association's funds. The maintenance shall include all landscaping and other flora, structures and improvements situated upon the Common Areas, including signs designating or identifying the River Downs Golf Course Community. There are hereby reserved to the Association blanket easements over the Property as necessary to enable the Association to fulfill its responsibilities under this section, which blanket easements shall be subordinate in all respects to the Declaration of Golf Easement and any other golf-related easement imposed upon or reserved by the Declarant or its specific successors and assigns.

## ARTICLE VII

### Architectural Review

#### 7.1 Necessity for Compliance with Architectural Review.

No building, fence, wall, garage, sign, pool, pool house, racket sport or hand-ball court, game facilities, play equipment, or other Structure of any kind, including any driveway, walkway, clothes line, and outside lighting shall be commenced, erected or maintained on any Lot, nor shall any addition (including awnings and screens) to, change, or alteration therein (including any retreatment by painting or otherwise of any exterior part thereof) be made in structure or color of any improvements, including regrading (collectively, "Alterations") and/or contour of any Lot, nor shall any work be commenced or performed which may result in a change of exterior appearance of any improvements until the plans and specifications, in duplicate, showing the nature, kind, shape, dimensions, material, floor plans, color scheme, location, exterior plans and details, driveway plans and location, proposed topographical changes, landscape plans, and such other information as the Architectural Committee may request, have been submitted to and approved in writing pursuant to the terms of this Article. This Article may not be amended without Declarant's written consent so long as Declarant owns any land subject to this Declaration or subject to any Declaration of Annexation.

Architectural guidelines and criteria pertaining to the design of and construction materials for homes, fencing, driveways, entrances, mailboxes, swimming pools, tennis courts, or other structures will be provided to the Owner of each Lot by the Architectural Committee prior to architectural design and construction.

A set of working drawings for the site development plan, construction plan and landscaping plan, once approved, shall be immediately furnished to, and will remain with, the New Construction Architectural Committee for a period of five (5) years from the date that the last Lot in the subdivision is improved with a residence. The site development plan shall at a minimum show the proposed location of the driveway and the proposed location of the house as well as any incidental structures. The construction plans, in addition to showing adequate design and construction detail, must also specifically show all exterior material to be used on the house in detail necessary to adequately identify said material. In addition, all exterior grades must be shown in detail. A landscape plan must be provided, and must show, at a minimum, the proposed planting locations of trees and other landscaping material, as well as proposed paths, driveways, outdoor lighting, or any other incidental structures.

There shall be uniform system of mailboxes for all Lots whereby Lots will be required to utilize a common style of mailbox

unit approved as to shape, size, color, location and landscaping by the Architectural Committee, provided that the Association may expressly waive this requirement as to any Lot or all the Lots. In addition, certain Lots may be required to share a central mailbox unit as approved by the Architectural Committee. The original mailbox units shall be installed in place by or through Declarant. The Lots using a central mailbox unit shall be responsible in equal shares for its maintenance and upkeep. If the majority of the Owners using the mailboxes, or the Association, determines that a mailbox or group of mailboxes needs replacement, then the Owner of each such mailbox in need of replacement shall be responsible to pay the replacement costs in equal shares and the Association shall order and procure the replacement thereof so as to ensure availability and uniformity of the mailboxes.

7.2 New Construction Architectural Committee. A New Construction Architectural Committee is hereby established and shall have exclusive approval jurisdiction over all original construction on any portion of the Property. Declarant hereby appoints GBRC Architectural Committee, Inc. to serve as the New Construction Architectural Committee. Until 100% of all lots on the Property have been conveyed to purchasers and developed in the normal course of development and sale, the Declarant retains the right to appoint the member or up to two (2) additional members of the New Construction Architectural Committee, which members shall serve at the sole discretion of the Declarant. There shall be no surrender of this right to appoint the member(s) of the New Construction Architectural Committee, prior to the time a written instrument in recordable form is executed by the Declarant relinquishing the right. Upon the relinquishment of such right by Declarant, the Board of Directors may appoint and remove member(s) of the New Construction Architectural Committee who shall then serve and may be removed at the discretion of the Association.

7.3 Modifications Architectural Committee. Declarant hereby appoints GBRC Architectural Committee, Inc. to serve as the Modifications Architectural Committee. Declarant may appoint up to two (2) additional members to the Modifications Architectural Committee at any time during the Development Period. Following the expiration of the Development Period, member(s) of the Modifications Architectural Committee shall be appointed and removed by and serve at the discretion of the Board of Directors. Members of the Modifications Architectural Committee may include architects or similar professionals who are not members of the Association. The Modifications Architectural Committee shall have exclusive jurisdiction over modifications, additions or Alterations made on or to existing Structures and Common Areas, if any. The Modifications Architectural Committee may promulgate additional detailed standards and procedures governing its area of responsibility and practice, consistent with those of the New Construction Architectural Committee. Such standards shall have

the prior approval of the Board of Directors before becoming effective.

7.4 Submissions of Plans. All submissions of plans and specifications for approval as to new construction of Structures or modifications or Alterations on the Lot shall be presented to the appropriate Architectural Committee at the address designated from time to time by the Board of Directors.

7.5 Review Standards. The Architectural Committee shall consider applications for approval of plans, specifications, etc., upon the basis of conformity with this Declaration and any rules or regulations adopted by the Architectural Committee and shall be guided by the extent to which such proposal will insure conformity and harmony in exterior design and appearance, based upon, among other things, the following factors: the quality of workmanship; nature and durability of materials; harmony of external design with existing structures; choice of colors; change in topography, grade elevations and/or drainage; the effect of the proposed improvements or Alterations on the use, enjoyment and value of other neighboring properties, including any golf course constructed, used, and located within the community, and/or on the outlook or view from adjacent or neighboring properties; and the suitability of the surrounding area. It is agreed and understood that the Architectural Committee is specifically prohibited from approving any plans or specifications which are in any way inconsistent with the terms of the Declaration of Golf Easement without the prior written consent of Declarant or River Downs Golf Course Limited Partnership or its specific successors and assigns.

7.6 Approval. All requests for approval of plans and specifications for Structures or Alterations shall be decided by the member(s) of the Architectural Committee in its sole discretion. The Architectural Committee shall have the right to refuse to approve any such plans or specifications, including grading and location plans, which are not suitable or desirable, in its opinion, for aesthetic or other considerations. Written requests for approval, accompanied by the foregoing described plans and specifications or other specifications and information as may be required by the Architectural Committee from time to time shall be submitted to the Architectural Committee by mail, messenger or in person. The Architectural Committee shall have the right to charge a reasonable processing and review fee, not in excess of \$150 per submission, for such requests unless subsequent submittals are necessary for the materials to conform to Architectural Committee guidelines. The fee for subsequent submittals is not to exceed \$100. Upon approval by the Architectural Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved or approved as modified, shall be deposited among the permanent records of such Architectural Committee. A letter referencing such plans will then be sent to the applicant for its records. Every



approved Structure constructed on the Lots must be completed in every-exterior detail within twelve (12) months of beginning such construction. Material samples, if not sooner retrieved by Owners, will be disposed of ten (10) days following approval.

7.7 Disapproval of Plans. In any case where the appropriate Architectural Committee shall disapprove the plans and specifications submitted or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement in writing of the grounds upon which such action was based. In any such case, the Architectural Committee shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal can be prepared and submitted for approval. However, the final decision of the Architectural Committee is binding.

7.8 Failure to Act. The Architectural Committee will be deemed to have approved any plans and specifications submitted to it pursuant to the provisions of this Article if the committee fails to approve, approve with modifications, or disapprove, such plans and specifications (and all materials and information required by the Architectural Committee) within thirty (30) days after written submission thereof to the Architectural Committee.

7.9 Certificate of Compliance. Upon the completion of any construction of the Alterations or other improvements or Structure in accordance with plans and specifications approved by the Architectural Committee, the Architectural Committee shall, at the request of the Owner, issue a Certificate of Compliance which shall be prima facie evidence that such construction or alterations have been approved by the Architectural Committee, and constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of this Declaration as may be applicable.

7.10 Post Construction Maintenance. After construction, all Structures and/or Alterations continuously shall be maintained in strict conformity with the plans and specifications so approved. Any exterior addition to or change or Alteration made without application having first been made to and approval obtained from the Architectural Committee shall be deemed to be in violation of this covenant and the addition, change or Alteration so made may be required to be restored to the original condition at the Owner's costs and expense. In any event, no such exterior addition to or change or Alteration shall be made without approval and permits therefor having first been obtained by the Owner from the applicable governmental authorities.

7.11 Nonapproved Structures. If any Structure shall be altered, erected, placed or maintained upon any Lot, or any new use commenced on any Lot, in violation of the provisions hereof, such

Structure or new use shall be removed or discontinued, and such use shall be terminated so as to extinguish such violation. If within fifteen (15) days after notice from the Declarant or the Association of such violation, the Owner of the Lot upon which such violation exists shall not have taken reasonable steps towards the removal or termination of the same, the Association, through its agents and employees, shall have the right to enter upon the Lot and to take such steps as it deems necessary to extinguish such violation and the cost thereof shall be a binding, personal obligation of the Owner of the Lot, and as an additional assessment, on the Lot in accordance with and under the terms of Sections 5.11 and 5.12 of this Declaration.

7.12 Committee Compensation. The members of the Architectural Committee shall serve without compensation unless specifically approved by the Declarant and/or the Association. The Architectural Committee may, however, engage paid professional advisors as it deems necessary to assist in the review of plans. These costs are to be borne by the Association.

7.13 Declarant Exemption. The provisions of this Article VII shall not apply to any Structures or any Alterations made by Declarant on any Lot, or within the Property.

7.14 Architectural Committee Rules. The Modifications Architectural Committee, to the extent of its functions hereunder and rights specifically provided herein, may subject to the approval of the Board of Directors adopt and promulgate, amend, modify; repeal reasonable rules, guidelines, policies, standards and regulations regarding the administration, interpretation and enforcement of the provisions of Article VII and Article VIII of this Declaration and in the reasonable interests of the River Downs Golf Course Community. Declarant grants to the Modifications Architectural Committee, its successors and assigns, the right to waive as to any Lot or all Lots, such portion or portions of covenants and restrictions set forth in this Declaration as the Modifications Architectural Committee, in its sole discretion, may deem advisable in the reasonable interests of the River Downs Golf Course Community without impairing the validity or enforceability of these covenants and restrictions in any manner whatsoever.

7.15 Conditional Approval. In granting any permit, authorization, or approval, as herein provided, the Architectural Committee may impose any appropriate conditions or limitations thereon as they shall deem advisable under the circumstances of each case.

## ARTICLE VIII

### Use Restrictions

8.1 Residential Use. Lots will be used for residential purposes and Golf Course purposes only, and no building shall be erected, altered, placed or permitted to remain on any Lot other than detached single family dwellings not to exceed three stories in height, excluding basement, with a private two or more car garage, except that Declarant may approve the use of any Lot as a model home and for sales, management and/or construction offices during the Development Period. All dwellings shall be constructed in accordance with the guidelines promulgated by the Architectural Committee, a copy of which shall be provided to the prospective purchasers of any Lot along with a copy of this Declaration.

8.2 Golf Course Easement. It is expressly understood that the Property subject to this Declaration is subject to the terms and conditions of the Golf Course Easement and to the extent that there are any conflicts as to the rights of any parties or restrictions on any Property, the Golf Course Easement shall control.

8.3 Subdivision. Without the prior written approval of the Architectural Committee, and all applicable governmental authorities, no Lot shall be subdivided.

8.4 Motor Vehicles. All boats, boat trailers, house trailers, trailers, trucks, commercial vehicles, recreational vehicles, campers, non-passenger vehicles and the like shall be parked only in designated parking areas designated by the Declarant or the Association. No such vehicle may be kept in the open on any Lot.

8.5 Animals. No animals may be kept, maintained or bred on any Lot, except that no more than two (2) dogs, cats or similar domestic household pets may be kept on a Lot, provided they are not kept, bred or maintained for any commercial purpose and provided further that they are kept in such a manner as to avoid becoming a nuisance to neighbors or adjoining property owners. No animal shall be permitted outside of the dwelling of an Owner unless the animal is leashed or carried and is under the control of a responsible person. No household pet shall be allowed to make an unreasonable amount of noise or otherwise to become a nuisance. Upon request of any Owner, the Board of Directors shall determine, in its sole discretion, whether for the purposes of this paragraph a particular animal shall be considered a "similar domestic household pet" or its actions have constituted a "nuisance", or it has been property kept "under the control of a responsible person". Owners shall promptly clean all litter deposited on any Lot or Common Areas by their household pets. The Board of Directors may

require removal from the Property of any pet found to be in violation of this section or of any rules duly adopted by the Board of Directors.

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

8.7 Noises and Nuisances. No nuisance shall be maintained, allowed or permitted on any part of any Lot or Common Area, and no use thereof shall be made or permitted which may be noxious or detrimental to health or which may become an annoyance or nuisance to the neighborhood. Between the hours of 11:00 p.m. and the following 9:00 a.m., no Owner or occupant on a Lot or in the Common Areas shall make any loud or unusual noises. Musical instruments, radios, televisions and records players, phonographs, and the like shall be used at all times only in such manner as not to unreasonably disturb persons on other Lots or in the Common Areas.

8.8 Trash. No lumber, metals, bulk materials, garbage, refuse or trash shall be kept, stored or allowed to accumulate on any Lot (other than in an approved Structure); no Lot shall be used or maintained as a dumping ground for any material; trash, garbage or other waste shall not be kept on any Lot except in sanitary containers. All equipment and containers for the storage or disposal of such material shall be kept in a good, clean and sanitary condition; during construction of any approved Structure on a Lot, the Owner shall keep the construction site free of unsightly accumulations of rubbish and scrap materials, and construction materials, trailers, shacks and the like employed in connection with such construction shall be kept in a neat and orderly manner. Trash or other refuse that is to be disposed of by being picked up and carried away on a regular and reoccurring basis, may be placed in the open in an approved container on any day that a pick-up is to be made, at such place on the Lot so as to provide access to persons making such pick-up. At all other times, such containers shall be stored in such a manner so that they cannot be seen from adjacent and surrounding property; the Architectural Committee, in its discretion, may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of same on a Lot.

8.9 Motor Vehicles In Common Areas. Except for golf carts and maintenance vehicles, no fuel driven motor vehicle may be driven or placed on the Common Areas, except in such part of the Common Areas, if any, specifically set aside for driving and for

parking. The Board of Directors of the Association may make such amendments to this provision as it deems appropriate.

8.10 Model Home Use. Anything contained in this Article to the contrary notwithstanding, any Lot may be approved by Declarant for use as a model home or for the maintenance of a real estate office during the Development Period. Declarant shall be entitled to conduct or entitle others to conduct on any Lot all activities normally associated with and convenient to the development of the Property and the construction and sale of the residences thereon.

8.11 Antenna. No outside satellite dish, television or radio antenna, or similar device shall be erected, installed or maintained on any Lot, or on any structures therein without the approval of the Architectural Committee.

8.12 Signs. Other than signs deemed necessary and appropriate for the River Downs Golf Course by the Declarant or River Downs Golf Course Limited Partnership or its specific successors and assigns, or signs deemed necessary and appropriate by the Board of Directors, no advertising or display signs of any character shall be placed or maintained on any part of the Property or on any structure except with the written consent of Declarant or the Architectural Committee, except customary "For Rent" or "For Sale" signs not larger than twenty-eight (28) inches wide and twenty (20) inches high, on or in front of the dwelling house by the Owner thereof.

8.13 Golf Carts. Golf carts and golf course maintenance vehicles may be operated within the River Downs Golf Course Community.

8.14 Single Family Occupancy. No residence on any Lot shall be occupied by more than a single family. For purposes of this restriction, a single family shall be defined as any number (subject to any applicable housing code) of persons related by blood, adoption or marriage living with not more than one person who is not so related as a single household unit, or no more than two persons who are not so related living together as a single household unit, and the household employees of either such household unit.

8.15 Additional Structures. No structure of a temporary character, such as, but not limited to, a trailer, shack, or tent, shall be placed or used on any Lot as a residence or for storage, or as an auxiliary building, either temporarily or permanently except that a temporary structure may be placed or used thereon if used and operated solely in connection with the construction of permissible permanent improvements; provided, however, that such temporary structure shall be removed from the premises within thirty (30) days after the completion of the construction of the

permissible permanent improvements; and provided further, that such structure be removed within a period of twelve (12) months from the date of its original construction, which ever shall occur first.

8.16 Clearing Lots. No more than an aggregate total of ten thousand (10,000) square feet of wooded area on any Lot may be cleared without the express written authorization of the New Construction Architectural Committee prior to completion of a single-family dwelling unit on a Lot and thereafter by the Modifications Architectural Committee. Additionally, no more than an aggregate total of ten thousand (10,000) square feet of wooded area on any Lot may be cleared without the express prior written authorization of the Carroll County Office of Environmental Services or its successor agency. There may be no amendment or modification to the preceding sentence without the express written approval of the Carroll County Office of Environmental Services.

8.17 Trees; Building Envelope. The area within each Lot on which the residence may be constructed is indicated on the Subdivision Plat(s) as the area marked with broken lines (the "Building Envelope"). All wooded area outside of the Building Envelope on each Lot shall be protected during construction of the residence by means of a four foot (4') high temporary fence erected on the perimeter of the wooded area. All trees within the Building Envelope, which are to be retained, shall be protected with a four foot (4') high temporary fence, encompassing at least the drip line of the tree or trees. Machinery, material storage, soil stockpiling and dumping shall not be permitted within the fenced areas. Variances from these requirements or amendments or modifications to this Section 8.17 shall be permitted only with the express prior written approval of New Construction Architectural Committee and the Carroll County Office of Environmental Services or its successor agency.

8.18 Lawn Maintenance. That portion of each Lot which is not located within the Golf Course Easement shall be kept free from rubbish and trash of any kind, clean and with lawns neatly mowed a minimum of six (6) times per growing season, so that grass and weeds do not exceed five (5") inches in height. In the event the Owner of any Lot does not properly maintain his or her Lot, the Declarant, or its employees, shall have the right to enter upon said Lot to cut and remove the grass, weeds, rubbish or trash and the Owner of any Lots so benefitted shall pay reasonable charges for such services as determined by the Declarant or its designee. Those portion of Lots located within the Golf Course Easement area shall be used and maintained in accordance with the terms of the Declaration of Golf Easement.

8.19 Entrance Landscape Easement. All that portion of the Property lying within thirty (30) feet of the northwest boundary of Parcel "A" (Maryland Route 91 Right-of-Way) as shown on the plat entitled "SHEET 2 OF 6 SECTION ONE RIVER DOWNS" which plat

is recorded among the Land Records of Carroll County in Plat Book L.W.S- No. 37, Page 70 is hereby made subject to an easement in perpetuity running with the land in favor of the Association for the purpose of installing trees, bushes, plants, flowers, signs (including a sign or signs for the River Downs Golf Course), fencing, landmarks and other landscaping as part of the entrance to River Downs Golf Course Community, subject to the approval of the Architectural Committee; and for the further purpose of maintaining and replacing said landscaping in a neat and orderly manner. The Association shall be required to mow, regrade, mulch and otherwise rework the easement area as may be necessary to keep the entrance at all times up to the Association's standards, provided that nothing contained herein shall relieve the Lot Owner from the responsibility to mow grass within his lot.

## ARTICLE IX

### Annexation

9.1 Restriction on Annexation. Additional Property may become subject to this Declaration only in accordance with the provisions of this Article.

9.2 Property Which May Be Annexed; Approval of Members. Declarant may subject all or any portion of the Additional Property to this Declaration as subsequent Sections without the approval of any other Owner or the Association, if Declarant so annexes such Additional Property, or portion thereof, prior to the tenth (10th) anniversary of the recordation of this Declaration ("Annexation Period"). Property other than the Additional Property or any portion of the Additional Property not annexed within the Annexation Period may be annexed to the Property and become subject to this Declaration only with the vote or written consent of not less than two-thirds (2/3) of each class of Members. Declarant may develop the Additional Property or any portion thereof in any other manner allowable under applicable zoning laws in the event Declarant elects not to annex said Additional Property to the Property.

9.3 Procedure for Annexation. In order to evidence annexation of all or any part of the Additional Property, Declarant (along with the Association, if required by Section 9.2) shall cause a final subdivision plan and a Declaration of Annexation for the property to be recorded. The Declaration of Annexation shall: (i) describe the portion of the Additional Property to be annexed; (ii) set forth the allocation of assessments to be paid; and (iii) specify that all of the covenants, conditions and restrictions of this Declaration shall apply to the annexed Additional Property in the same manner as if it were originally covered by this Declaration. On the recording of the Declaration of Annexation, notice of the recording shall be given to the Association. No Declaration of Annexation shall diminish the covenants, conditions

or restrictions established by this Declaration, nor shall it discriminate between different Owners. No Declaration of Annexation shall alter or change the general common plan or scheme created by this Declaration, nor shall it affect the provisions hereof as to covenants running with the land or as equitable servitudes.

9.4 Effect of Annexation. After the procedures for annexation have been complied with, Owners of Lots in the annexed Section shall be Members, shall be subject to this Declaration and shall be entitled to use all Common Areas then subject to this Declaration. The Association shall reallocate the assessment so as to assess each Owner of a Lot for an equal share of the total expenses due under this Declaration.

## ARTICLE X

### Consent to Golf Course

10.1 Lot Owners' Waiver of Objections to Construction, Operation, and Maintenance of a Golf Course. Each Owner, by acceptance of a deed for his or her Lot, is deemed to have consented to the nature of the community as a golf course community; waived any objection to the construction, operation and maintenance of a golf course within the River Downs Golf Course Community, from time to time and at any time; and waived any and all objection whatsoever, past, present and future, to the conduct of the game of golf on the golf course as designated on the Subdivision Plat(s) or on any of the Additional Property. Additionally, each Owner, by acceptance of the deed for his Lot, is deemed to have covenanted and agreed to accept the design and layout of the golf course as shown on the Subdivision Plat(s) as of the date of record of this Declaration, and such design and layout as the same shall be changed from time to time in the future and has agreed to accept the terms, conditions and obligations of the Declaration of Golf Easement recorded or intended to be recorded among the Land Records of Carroll County.

## ARTICLE XI

### Rights and Obligations of the Association

11.1 Common Area. The Association, subject to the rights of the Owners, Declarant and River Downs Golf Course Limited Partnership, 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, the common landscaped areas) and shall keep it in good, clean, attractive and sanitary condition, order and repair.

11.2 Personal Property and Real Property for Common Use. The Association may acquire, hold and dispose of tangible and



intangible personal property and real property. The Board of Directors of the Association, acting on behalf of the Association, shall accept any real or personal property, leasehold or any other property interests within the property conveyed to it by Declarant and to grant easements, licenses, rights of way and other similar interests over the Common Areas.

11.3 Rules and Regulations. The Association may make and enforce reasonable rules and regulations governing the use of the Property, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions for violations of this Declaration, the by-laws, or the rules and regulations of the Association may include reasonable monetary penalties (which shall be part of the lien and assessments) and suspension of the right to vote and the right to use any recreational facilities on the Common Area, if any. The Association shall also have the power to seek relief in any court of jurisdiction for violations or to abate nuisances.

11.4 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effect any such right or privilege.

11.5 Governmental Interests. For so long as Declarant owns any of the Property, the Association shall permit Declarant authority to designate sites within the Property, which may include Common Areas owned by the Association, for fire, police, water and sewer facilities, and other public facilities. The Association shall also permit Declarant to designate sites within the Common Area owned by the Association to be used by the River Downs Golf Course Limited Partnership in its operation, construction or maintenance of the River Downs Golf Course.

11.6 Wetlands/Forest Mitigation. The Declarant or the Association may use all or any portion of the Common Areas for non-tidal wetlands mitigation; reforestation; afforestation; or wetlands or forest banking; under an approved governmental plan or program in connection with the development or use of the Property and/or River Downs Golf Course. The Declarant or the Association may grant such easements, agreements, restrictions or other property interests, permanent or otherwise, as may be necessary to qualify for these uses under the then existing regulations.

## ARTICLE XII

### General Provisions

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

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

#### 12.3 Amendment.

12.3.1 The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period, by an instrument signed by no less than ninety percent (90%) of the lot Owners, and thereafter by an instrument signed by no less than seventy-five percent (75%) of the lot Owners. Any amendment must be recorded. In addition to the above, no amendment of a material nature of this Declaration may be made unless approved by at least two-thirds (2/3) of the first mortgagees of all Lots (based on one vote for each first mortgage owned). A change to any of the following shall be considered material: any amendment affecting assessments, any property right, the right of an Owner to have, use or enjoy any easements or to use the Common Areas, or the vested right of any party secured by a mortgage or deed of trust.

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

12.3.3 Anything set forth in Section 11.3.1 above to the contrary notwithstanding, prior to the conveyance of a Lot from Declarant to an Owner, Declarant shall have the absolute unilateral right, power and authority to amend, modify, revise or change any of the terms or provisions of this Declaration, all as from time to time amended or supplemented.

12.4 Notices. All notices required or provided for in this Declaration shall be in writing and hand delivered or sent by United States mail. If hand delivered, the notices shall be sent to the addresses shown below and shall be deemed to have been given on the date hand delivered to the party receiving the same. If United States mails are used, the notices shall be sent to the addresses shown below, certified or registered mail, return receipt requested, postage prepaid, and shall be deemed to have been given on the date deposited in the United States mails. Notice shall be addressed as follows:

To Declarant: River Downs Partnership  
c/o Gaylord Brooks  
Investment Co., Inc.  
P.O. Box 400  
3314 Paper Mill Road  
Phoenix, Maryland 21131

To the Association: To the Resident Agent of the Association at his or her address, as shown by the records of the State Department of Assessments and Taxation of the State of Maryland

To Owner/Members as follows: To the last known address of Owner/Member as shown on the records of the Association at the time of such mailing, and if there is no such address, then to the Lot of such Owner/Member.

Any person shall have the right to designate a different address for the receipt of notices other than set forth above, provided the person's new address is contained in a written notice given to Declarant during the Development Period and to the Association.

12.5 Right of Entry. Violation or breach of any provision herein contained shall give Declarant or the Association, to the extent that any of them may have a right of enforcement thereover, their respective agents, legal representatives, heirs, successors and assigns, in addition to all other remedies, the right (but not the obligation), after five (5) days notice to the Owner of the Lot, to enter upon the Lot or the land as to which such violation or breach exists, and summarily to abate and remove, at the expense of the Owner thereof, any Structure or condition that may be or exists thereon contrary to the intent and meaning of the provisions hereof; and the said parties shall not thereby be deemed guilty of any manner of trespass for such entry, abatement of removal, except that if any agent of Declarant or the Association shall be responsible for actually committing a trespass

by behavior going beyond the intent of the authority conferred by this Section, in such event neither Declarant nor the Association shall be responsible for the unauthorized acts of such agent(s). Nothing herein contained shall be deemed to affect or limit the rights of the Association or the Owners of the Lots when entitled to do so, to enforce the covenants by appropriate judicial proceedings.

12.6 No Reverter or Condition Subsequent. No provision herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

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

12.8 Headings. The headings or titles herein are for convenience of reference only and shall not affect the meaning or interpretation of the contents of this Declaration.

12.9 FHA/VA Approval. If Declarant applies for approval for any Lot of the Federal Housing Administration or the Veterans Administration, for mortgage financing, then in that event so long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Condition and Restrictions.

12.10 River Crossing. Owners are hereby advised that the approved public road system for River Downs Golf Course Community includes a replacement bridge on Lawndale Road over the Patapsco River constructed in accordance with a public works agreement between Declarant and the County Commissioners of Carroll County. The bridge has been designed to modern County standards with emphasis on efficiency and safety. Nevertheless, the lands along the banks of the Patapsco River are flood prone areas and the roadway has been designed to allow for more intense storms to flow over it which may result in temporary road closings. A design has been employed to allow for this flooding while minimizing any safety hazard or inconvenience. Owners should avoid the river crossing in times when flooding may occur.

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has hereunder set its hand and seal the day and year first above written.

ATTEST:

DECLARANT:  
River Downs Partnership  
By: Gaylord River Downs Limited  
Partnership, General Partner

By: Gaylord Brooks  
Investment Co., Inc.  
General Partner

James F. Cosgrove

By: [Signature] (SEAL)  
Richard A. Moore,  
President

Exhibit A - Legal Description of all real property owned by Declarant (excluding River Downs Golf Course Limited Partnership Property)

Exhibit B - Legal Description of Property to be subject initially to the Declaration (i.e., Section One)

ACKNOWLEDGEMENT

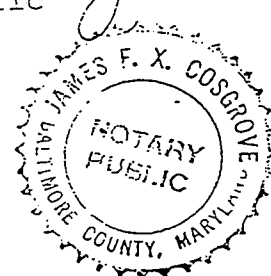
STATE OF MARYLAND, COUNTY/CITY OF BALTIMORE to wit:

I HEREBY CERTIFY that on this 8TH day of NOVEMBER 19  , before me, the subscriber, a Notary Public of the State of Maryland, personally appeared Richard A. Moore, who acknowledged himself to be the President of Gaylord Brooks Realty Company, the General Partner of Gaylord River Downs Limited Partnership, General Partner of River Downs Partnership, the Declarant, and he acknowledged that he executed the foregoing on behalf of the said Partnership for the purposes therein contained and he acknowledged the same to be the lawful act and deed of the aforesaid Partnership.

AS WITNESS my hand and Notarial Seal the day and year first above written.

James F. Cosgrove  
Notary Public

My Commission Expires: 4/1/96



ATTORNEY CERTIFICATION

I hereby certify that I am an attorney duly admitted to practice law in the State of Maryland and in good standing and that this instrument was prepared under my supervision.

Priscilla C. Caskey  
Priscilla C. Caskey

EXHIBIT A

Legal Description of All Real Property Owned by Declarant  
(Excluding River Downs Golf Course Limited Partnership Property)

BEING all that real property located in Carroll County, Maryland, granted and conveyed unto River Downs Partnership, a Maryland general partnership and described in the following three Deeds:

(i) Deed dated October 14, 1988, and recorded among the Land Records of Carroll County, Maryland, in Liber L.W.S. No. 1113, Folio 863, from Equitable Bank, NA, Personal Representative of the Estate of John McC. Mowbray, and Jack S. Griswold to River Downs Partnership;

(ii) Deed dated September 1, 1989, and recorded among the Land Records of Carroll County, Maryland, in Liber L.W.S. No. 1166, Folio 501, from James H. Morton, June E. Morton, Mary L. Stevens and Caroline R. Kummer, unto River Downs Partnership; and

(iii) Deed dated March 19, 1990, and recorded among the Land Records of Carroll County, Maryland, in Liber L.W.S. No. 1202, Folio 673, from James Peltzer and Barbara Peltzer, his wife, unto River Downs Partnership.

Excluding however the following property therefrom:

All those lots of ground situate in CARROLL COUNTY, State of Maryland, and described as follows, that is to say:

BEING KNOWN AND DESIGNATED as Parcels C and I as shown on Plats entitled "SECTION ONE (A CLUSTER SUBDIVISION) RIVER DOWNS" consisting of six sheets and recorded among the Land Records of Carroll County in Plat Book L.W.S. No. 37, folios 69 through 74.

TOGETHER with the easements for the construction, use and maintenance of a golf course, club house and maintenance facility, as shown on Plats entitled "SPECIAL PURPOSE PLAT OF GOLF COURSE EASEMENTS FOR (A CLUSTER SUBDIVISION) RIVER DOWNS" consisting of four sheets and recorded among the Land Records of Carroll County in Plat Book LWS No. 36, folios 75 through 78. The easements for the club house and maintenance facility being more specifically described by the metes and bounds descriptions marked exhibits "A-1" and "A-2" respectively which are attached hereto and made a part hereof. Together, also, with all the rights, terms, conditions, etc., contained in a certain DECLARATION OF GOLF EASEMENT executed by the Declarant on the 8th day of November, 1993 and recorded or intended to be recorded among the Land Records of Carroll County immediately prior hereto.

EXHIBIT B

Legal Description of Real Property  
Subject Initially to this Declaration

All that property shown as being Section One and on those plats entitled "Section One (A Cluster Subdivision) River Downs" and recorded among the Plat Records of Carroll County in Plat Book L.W.S. No. 37, pages 69 through 74.

\WTP1\0037956.01