Assateague Pointe Resort

ASSATEAGUE POINTE RESORT

INFORMATION REQUIRED BY MARYLAND HOMEOWNERS ASSOCIATION ACT

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Buyer's Receipt: I/we acknowledge receipt of a copy of the material listed above.

Date:_____, 19__

Date:_____, 19__

July 19, 1993 -- D:\RBT\Realest\ASPR-DIS.ONE

STATUTORY NOTICE ABOUT REQUIRED INFORMATION

(Maryland Homeowners Association Act)

THIS SALE IS SUBJECT TO THE REQUIREMENTS OF THE MARYLAND HOMEOWNERS ASSOCIATION ACT (THE "ACT"). THE ACT REQUIRES THAT THE SELLER DISCLOSE TO YOU AT OR BEFORE THE TIME THE CONTRACT IS ENTERED INTO, OR WITHIN 7 CALENDAR DAYS OF ENTERING INTO THE CONTRACT, CERTAIN INFORMATION CONCERNING THE DEVELOPMENT IN WHICH THE LOT YOU ARE PURCHASING IS LOCATED. THE CONTENT OF THE INFORMATION TO BE DISCLOSED IS SET FORTH IN § 11B-105(B) OF THE ACT (THE "MHAA INFORMATION") AS FOLLOWS:

The vendor shall provide the purchaser the following information in writing:

(1) (i) The name, principal address, and telephone number of the vendor and of the declarant, if the declarant is not the vendor; or

(ii) If the vendor is a corporation or partnership, the names and addresses of the principal officers of the corporation, or general partners of the partnership;

(2) (i) The name, if any, of the homeowners association; and

(ii) If incorporated, the state in which the homeowners association is incorporated and the name of the Maryland resident agent;

(3) A description of: (i) The location and size of the development, including the minimum and maximum number of lots currently planned or permitted, if applicable, which may be contained within the development; and

(ii) Any property owned by the declarant or the vendor contiguous to the development which is to be dedicated to public use;

(4) If the development is or will be within or a part of another development, a general description of the other development;

(5) If the declarant has reserved in the declaration the right to annex additional property to the development, a description of the size and location of the additional property and the approximate number of lots currently planned to be contained in the development, as well as any time limits within which the declarant may annex such property;

(6) A copy of: (i) The Articles of Incorporation, the Declaration, and all recorded covenants and restrictions of the primary development and of other related developments to the extent

reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable; and

(ii) The By-laws and rules of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable;

(7) A description or statement of any property which is currently planned to be owned, leased, or maintained by the homeowners association;

(8) A copy of the estimated proposed or actual annual budget for the homeowners association for the current fiscal year, including a description of the replacement reserves for common area improvements, if any, and a copy of the current projected budget for the homeowners association based upon the development fully expanded in accordance with expansion rights contained in the declaration;

(9) A statement of current or anticipated mandatory fees or assessments to be paid by owners of lots within the development for the use, maintenance, and operation of common areas and for other purposes related to the homeowners association and whether the declarant or vendor will be obligated to pay the fees in whole or in part;

(10) (i) A brief description of zoning and other land use requirements affecting the development; or

(ii) A written disclosure of where the information is available for inspection;

(11) A statement regarding: (i) When mandatory homeowners association fees or assessments will first be levied against owners of lots;

(ii) The procedure for increasing or decreasing such fees or assessments;

(iii) How fees or assessments and delinquent charges will be collected;

(iv) Whether unpaid fees or assessments are a personal obligation of owners of lots;

(v) Whether unpaid fees or assessments bear interest and if so, the rate of interest;

(vi) Whether unpaid fees or assessments may be enforced by imposing a lien on a lot under the terms of the Maryland Contract Lien Act; and

(vii) Whether lot owners will be assessed late charges or attorneys' fees for collecting unpaid fees or assessments and any other consequences for the nonpayment of the fees or assessments;

(12) If any sums of money are to be collected at settlement for contribution to the homeowners association other than prorated fees or assessments, a statement of the amount to be collected and the intended use of such funds; and

(13) A description of special rights or exemptions reserved by or for the benefit of the declarant or the vendor, including: (i) The right to conduct construction activities within the development;

(ii) The right to pay a reduced homeowners association fee or assessment; and

(iii) Exemptions from use restrictions or architectural control provisions contained in the declaration or provisions by which the declarant or the vendor intends to maintain control over the homeowners association.

IF YOU HAVE NOT RECEIVED ALL OF THE MHAA INFORMATION 5 CALENDAR DAYS OR MORE BEFORE ENTERING INTO THE CONTRACT, YOU HAVE 5 CALENDAR DAYS TO CANCEL THIS CONTRACT AFTER RECEIVING ALL OF THE MHAA INFORMATION. YOU MUST CANCEL THE CONTRACT IN WRITING, BUT YOU DO NOT HAVE TO STATE A REASON. THE SELLER MUST ALSO PROVIDE YOU WITH NOTICE OF ANY CHANGES IN MANDATORY FEES EXCEEDING 10% OF THE AMOUNT PREVIOUSLY STATED TO EXIST AND COPIES OF ANY OTHER SUBSTANTIAL AND MATERIAL AMENDMENT TO THE INFORMATION PROVIDED TO YOU. YOU HAVE 3 CALENDAR DAYS TO CANCEL THIS CONTRACT AFTER RECEIVING NOTICE OF ANY CHANGES IN MANDATORY FEES, OR COPIES OF ANY OTHER SUBSTANTIAL AND MATERIAL AMENDMENT TO THE MHAA INFORMATION WHICH ADVERSELY AFFECTS YOU. IF YOU DO CANCEL THE CONTRACT YOU WILL BE ENTITLED TO A REFUND OF ANY DEPOSIT YOU MADE ON ACCOUNT OF THE CONTRACT. HOWEVER, UNLESS YOU RETURN THE MHAA INFORMATION TO THE SELLER WHEN YOU CANCEL THE CONTRACT, THE SELLER MAY KEEP OUT OF YOUR DEPOSIT THE COST OF REPRODUCING THE MHAA INFORMATION, OR \$100, WHICHEVER AMOUNT IS LESS.

BY PURCHASING A LOT WITHIN THIS DEVELOPMENT, YOU WILL AUTOMATICALLY BE SUBJECT TO VARIOUS RIGHTS, RESPONSIBILITIES, AND OBLIGATIONS, INCLUDING THE OBLIGATION TO PAY CERTAIN ASSESSMENTS TO THE HOMEOWNERS ASSOCIATION WITHIN THE DEVELOPMENT. THE LOT YOU ARE PURCHASING MAY HAVE RESTRICTIONS ON:

(1) ARCHITECTURAL CHANGES, DESIGN, COLOR, LANDSCAPING, OR APPEARANCE;

- (2) OCCUPANCY DENSITY;
- (3) KIND, NUMBER, OR USE OF VEHICLES;
- (4) RENTING, LEASING, MORTGAGING, OR CONVEYING PROPERTY;
- (5) COMMERCIAL ACTIVITY; OR
- (6) OTHER MATTERS.

YOU SHOULD REVIEW THE MHAA INFORMATION CAREFULLY TO ASCERTAIN YOUR RIGHTS, RESPONSIBILITIES, AND OBLIGATIONS WITHIN THE DEVELOPMENT."

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ASSATEAGUE POINTE RESORT

INFORMATION STATEMENT ("MHAA Information")

Definitions:

HOA - means homeowners' association.

Subdivision Plat - means the plat entitled "Assateague Pointe Resort Phase 1 And Other Lands", dated June 29, 1990, recorded among the Land Records of Worcester County, Maryland, in Plat Book R.H.O. No. 126, Folio 31, et seq., as amended to include Phase 2.

Restrictive Covenants - means the documents identified as such in Item 6, below.

Declaration - same as the Restrictive Covenants.

1.	Declarant:	Assateague Pointe, Inc. 8552 Stephen Decatur Hwy. Berlin, MD 21811 (301)-641-1671		
	Vendor:	Assateague Pointe, Inc. 8552 Stephen Decatur Hwy. Berlin, MD 21811 (301)-641-1671		
		Principal Officers of Vendor:		
		President George A. Purnell P.O. Box 460 Ocean City, MD 21842		
		Vice President G. Troy Purnell P.O. Box 460 Ocean City, MD 21842		
		Secretary Raymond S. Smethurst, Jr. P.O. Box 4247 Salisbury, MD 21803-4247		
		Treasurer John M. Comegys P.O. Box 460 Ocean City, MD 21842		
2.	Name of HOA:	Assateague Pointe Homeowners Association, Inc., a Maryland non-profit corporation whose resident agent is G. Troy Purnell, P.O. Box 460, Ocean City, MD 21842.		
3.	Location:	Tenth Election District, Worcester County, MD.		
	Size, as curren 2, 3 & 4 have b	tly planned: minimum & maximum - 522 lots (Phases 1, been added).		

There is no property owned by the Declarant or Vendor contiguous to the development that is dedicated to the public.

- 4. The development is not (and will not be) part of another development.
- 5. Declarant has reserved the right to annex to the development any real property described on the Subdivision Plat; however, it is not anticipated that the present number of lots in the development will be changed. Declarant has also reserved the right to change the size, shape, dimension and location of the lots that it owns and to relocate the streets and open or close same, provided that access to the other lots is not impaired.
- 6. The following documents are attached:
 - A.* Articles of Incorporation ("Charter") of Assateague Pointe Homeowners Association, Inc.
 - B.*1. Declaration of Restrictions, Covenants, Easements, Equitable Servitudes, Charges, Assessments and Liens, dated September 11, 1990 (Liber R.H.O. No. 1678, Folio 47), as thereafter amended by 1st-4th amendments (Liber R.H.O. No. 1689, Folio 307; Liber R.H.O. No. 1728, Folio 360; Liber R.H.O. No 1790, Folio 113 & Liber R.H.O. No. 1796, Folio 82), which is called the "Restrictive Covenants" and the "Declaration" herein. ---and---
 - *2. First Supplemental Declaration of Restrictions, Covenants, Easements, Equitable Servitudes, Charges, Assessments and Liens, dated December 12, 1991 (Liber R.H.O. No. 1785, Folio 230).
 - *3. Second Supplemental Declaration of Restrictions, Covenants, Easements, Equitable Servitudes, Charges, Assessments and Liens, dated May 3, 1993 (Liber R.H.O. No. 1930, Folio 74).

---and----

- C.* Declaration of Subdivision Covenants and Restrictions (for the benefit of Snug Harbor Subdivision), dated December 29, 1989 (Liber R.H.O. No. 1614, Folio 1).
- D.* Shared Facilities Agreement dated June 26, 1990 (Liber R.H.O. No. 1659, Folio 10).
- E.* Inspection and Maintenance Agreement, dated December 11, 1989 (Liber R.H.O. No. 1677, Folio 552).
- F.* Easements for electrical lines and equipment. (2 documents).
- G.* Bylaws of Assateague Pointe Homeowners Association, Inc.
 - * Enforceable against an owner and an owner's tenants.

7. As currently planned, the HOA will own and maintain the land that is designated on the Subdivision Plat as "Common Area" (Outlots A, B, C, D and F, as shown on the Subdivision Plat). The HOA will also own and maintain the swimming pool and clubhouse, basketball court, playground, and electrical distribution system. The Declarant has retained an easement to locate and operate the sales office on Parcel A until the development has been completed and storage area on Parcel B of the subdivision. It is contemplated that the HOA will lease from Declarant the gatehouse at the intersection of Assateague Way and Maryland Route 611.

The roads in the development will be owned and maintained by the HOA. The HOA will be required to maintain (but will not own) the access road ("Assateague Way") between the development and Maryland Route 611; this access road will be about 0.35 miles long.

The HOA will own (in fee simple) a 21.035 acre parcel of land on the easterly side of Maryland Route 611 and the northerly side of Assateague Way (shown as Parcel A on the Subdivision Plat), on which will be located a recreational pond, a park area, a storage area, and the sewerage treatment plant. The HOA will also own (in fee simple subject to a condition subsequent) a 27.452 acre parcel of land on the easterly side of Maryland Route 611 and the southerly side of Assateague Way (shown as Parcel B on the Subdivision Plat), on which will be located the spray irrigation area for the sewerage treatment system. The HOA will also own the water treatment plant, which will be located on Outlot B (part of the Common Area).

Pursuant to the terms of the Shared Facilities Agreement identified in Item 6, above, the HOA has transfer ownership of and operational responsibility for the water and sewerage treatment systems to the Worcester County Sanitary District. In the event that the Worcester County Sanitary District ever connects the development to a publicly-owned sewerage facility and abandons the on site sewerage treatment system, then ownership of Parcel B (where the spray irrigation areas will be located) will revert to the Declarant.

- 8. A copy of the proposed or actual (i) annual budget for the HOA for its current fiscal year and (ii) the projected budget for the HOA based upon the development fully expanded in accordance with Declarant's expansion rights is attached.
- 9. A statement of current or anticipated mandatory fees or assessments to be paid by owners of lots for the use, maintenance and operation of common areas and for other purposes related to the HOA is attached. The Declarant is not obligated to pay such fees or assessments on the lots that it owns; however, it is required to pay charges by the HOA for the availability or use of sewer or water services.

10. The development is located in the A-1 zoning district; it is subject to the following actions by the Worcester County Board of Zoning Appeals:

Case No. 15859 - special exception for a campground subdivision; variance for 300-foot setback.

Case No. 16561 - special exception for a wastewater treatment facility.

Information on zoning matters and applicable requirements of the Worcester County Zoning Code are available from the Worcester County Planning Office, in Snow Hill. It is noted that the Restrictive Covenants impose requirements that apply in addition to the Zoning Code, including (for example) setbacks and other use and occupancy restrictions.

The development is subject to the Worcester County Floodplain Management Law, which establishes certain requirements for improvement of the lots. Information about these requirements is available from Worcester County Building Department in Snow Hill.

Parts of the Common Area are or may be subject to other land use requirements, such as the Maryland Wetlands Law, the Maryland Nontidal Wetlands Law and the (federal) Clean Water Act. Information on these requirements is available at the Maryland Department of Natural Resources, in Annapolis, and the U. S. Army Corps of Engineers, in Baltimore.

- 11. (i) Mandatory homeowners association fees or assessments on the lots will commence upon the subdivision of the property into lots and establishment of the HOA. Lots owned by Declarant are exempt from such assessments, but not from the charges for sewerage and water services.
 - (ii) The procedure for increasing or decreasing such fees or assessments is by action of the HOA in accordance with the Restrictive Covenants. Generally speaking, this procedure involves the adoption of an annual budget and the making of an assessment on each lot for its pro-rata share of the estimated funds required for the budget. Special assessments may also be imposed.
 - (iii) Such fees or assessments and delinquent charges will be collected as determined by the HOA in accordance with the Restrictive Covenants. The actual methods used may include creation and foreclosure of a lien on a lot, pursuant to the Maryland Contract Lien Act, and suit against a delinquent lot owner.
 - (iv) Unpaid fees and assessments (and other charges by the HOA) are a personal obligation of the owner of the lot on which they are imposed by the HOA.

- (v) Unpaid fees and assessments (and other charges by the HOA) bear interest at the rate of: 1.5% per month (after becoming overdue) and a late charge of \$20 or 10% of the total amount of any delinquent or assessment, whichever is greater.
- (vi) Unpaid fees and assessments (and other charges by the HOA) may be enforced by imposing a lien on a lot under the Maryland Contract Lien Act.
- (vii) Lot owners will (if delinquent) be assessed late charges and attorney's fees and for unpaid fees or assessments (and other charges by the HOA), and will be subject to the following additional consequences for nonpayment thereof: denial of voting and other rights and privileges of membership in the HOA and the right to use the Common Area, and discontinuance of services to the Lot.
- 12. At closing a lot owner must pay the sum of \$150.00 as a working capital contribution to the HOA, which may use it for working capital or, if it elects, for reserves.
- 13. (i) Under the Restrictive Covenants, the Declarant has reserved the following right(s): to engage in the initial construction of improvements and the repair and maintenance thereof; speculative construction; marketing and sale or resale of the lots and improvements installed or to be installed on the lots; signs, sales offices and models.
 - (ii) Declarant is exempt from fees and assessments by the HOA on the lots that it owns, but not from the charges for sewerage and water services.
 - (iii) Declarant shall be exempt from the following use restrictions contained in the Restrictive Covenants: those restricting any activity mentioned in 13(i) above.

Declarant shall be exempt from the architectural control provisions contained in the Restrictive Covenants as follows: those restricting any activity mentioned in 13(i), above.

Declarant intends to maintain control over the HOA pursuant to its provisions for two classes of members (A and B). Declarant shall be the only Class B member and as such will have five (5) votes for each Lot that it owns. Other lot owners, who will be Class A members, will have one (1) vote per lot. Thus, unless the Declarant elects to waive its rights earlier, it will control the HOA at such times as it owns at least 16.66% of the lots in the development.

ASSATEAGUE POINTE RESORT

ADDITIONAL INFORMATION (disclosure of which is not required):

Pursuant to the Shared Facilities Agreement (copy attached), the sewer and water facilities for the development are owned by the Worcester County Sanitary District, which is responsible for operating and maintaining them. The annual assessment imposed by the HOA does not include charges for availability or consumption (usage) of sewerage and water services, which are imposed by the District.

The HOA owns the electrical distribution system for the development. The base charge for electrical service will be included in the annual assessment; there will be a separate charge for any excess usage of electrical power over the level of the base charge. Lot owners must purchase bottled gas for cooking and heating from commercial vendors.

The access road ("Assateague Way") running between the development and Maryland Route 611 will be owned by the Declarant; it will be subject to a rightof-way that provides non-exclusive use for pedestrian and vehicular ingress to and egress from the development by lot owners and their invitees. The roads in the development will be owned by the HOA and subject to a right-of-way for ingress to and egress from certain land to be retained by the Declarant (shown as Outlot E on the Subdivision Plat) for the purpose of the development and maintenance and operation of a marina facility and such other recreational improvements as may be built on Outlot E by the Declarant and, if such land is sold or leased by Declarant, its transferee, or lessee of such land and the operator of any marina or other improvements, if built, and their respective invitees (but not by the general public).

Occupancy of the lots is limited under the Zoning Code (as amended on October 9, 1990) and the Restrictive Covenants as follows:

- 1. April 2-Sept. 29 -- no time limits on occupancy.
- 2. Sept. 30-April 1 of following year -- no more than a total of 60 days, of which no more than 30 days may be consecutive.

Lots may be occupied only on a seasonal basis and shall not be occupied as a place of primary or permanent residence or domicile.

Lots in are limited to use by (i) a Manufactured Home, if same shall become permissible under the Worcester County Zoning Code, but not otherwise, or (ii) a Park Home (as such structures are defined in the Restrictive Covenants) and an addition. Tents may not be placed on the lots.

The development is subject to covenants and restrictions in favor of the owners of lots in the "Snug Harbor" subdivision that are stated in a document that is identified in Item 6., above. This document restricts the usage of the land in the so-called "buffer strip" (300 feet wide) located between the southerly side of Meadow Drive and the northerly boundary of Phases 1 and 2 of the development. It also restricts the use of boat slips in the marina facility (if built) to owners and other residents of lots in Assateague Pointe Resort and limits the total number of such slips to 140.

<u>Note regarding Phase Numbers</u>: The amendatory plats that were recorded to add the subsequent phases (2, 3 & 4) use the phase numbers in a manner that differs from their use on the initial Subdivision Plat (Plat Book R.H.O. No. 126,

ASSATEAGUE POINTE RESORT

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Folio 32). For example, the latter shows as "Phase 4" the lots that were subsequently added as "Phase 2" by amendatory plat (Plat Book R.H.O. No. 131, Folio 48).

Attachments:

A	Document referenced in Item 6.A., above.
В	Three documents referenced in Item 6.B., above.
С	Document referenced in Item 6.C., above.
D	Document referenced in Item 6.D., above.
E	Document referenced in Item 6.E., above.
F	Document referenced in Item 6.F., above.
G	Document referenced in Item 6.G., above.
H	Document referenced in Item 8 & 9, above.

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ASSATEAGUE POINTE RESORT Declaration, with 1st-4th Amendments

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STATE DEPARTMENT OF ASSESSY ARTICLES OF INCORPORATION

OF

10. S

08-27-90 st ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC. (A Maryland nonstock, nonprofit corporation)

This <u>lst</u> day of <u>August</u> _, 199<u>0</u> in compliance with the requirements of the Maryland nonstock corporation law, the undersigned, who is a resident of the State of Maryland, at least eighteen (18) years of age, whose post office address is P. O. Box 460, Ocean City, Maryland, does hereby form a corporation that has no authority to issue capital stock, and for this purpose states that:

ARTICLE I

The name of the corporation is ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC., hereafter called the "Association".

ARTICLE II

The principal office of the Association is located at 8552 Stephen Decatur Highway, Berlin, Maryland 21811.

ARTICLE III

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⁶⁰ G. Troy Purnell, whose post office address is 109 77th Street, Ocean City, Maryland 21842, is hereby appointed the initial resident agent of this Association. Said resident agent is an individual who actually resides in Maryland.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, who shall not be entitled to receive any profit that may accrue, and the specific purposes for which it is formed are to provide for services for the benefit of the owners of lots or other property in any part of the tract of land in Worcester County, Maryland, located on the southeasterly side of Maryland Route No. 611 and more particularly described by a plat entitled "Plat of Survey Showing Lands of Assateague Pointe, Inc.

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AND TAXATION

Approved FSA Resond

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ASSATEAGUE FÓINTE HOMEOWNERS ASSOCIATION, INC. Articles of Incorporation

Route 611", dated January 10, 1990, and recorded among the Land Records of Worcester County, Maryland, in Plat Cabinet R.H.O. No. 125, Folio 3, that is hereafter established as part of a subdivision of such land by Assateague Pointe Resort or its successors and assigns of such land by document, which is herein referred to as the "Declaration", recorded among the Land Records of Worcester County, Maryland. Such services shall include (without limitation) representing the mutual interests of such property owners regarding the construction, protection and maintenance of the commonly owned or used property and improvements within the meaning of Section 5-312 (a) (6) of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland. The Association is hereby empowered to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and to:

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

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

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been approved by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

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ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC. Articles of Incorporation

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonstock Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

The Owners, excluding Declarant, of the Lots within the Development shall be the Class A members of the Association. Class "A" membership shall be appurtenant to and may not be separated from such ownership. The Declarant (as defined in the Declaration) or any person or entity who or which is designated as the Declarant's successor hereunder by an instrument that is recorded among the Land Records of the County aforesaid shall be the Class "B" member.

ARTICLE VI

VOTING RIGHTS

Class "A" members shall be entitled on all issues to one (1) vote for Lot in which they hold the interest required for membership. The vote in respect of a Lot may be cast by any such member, but may not be split or allocated among such members if more than one (1).

The Class "B" member shall be entitled to five (5) votes for each Lot that is then owned by the Class "B" member.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors, who need not be members of the Association. Until

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ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC. Articles of Incorporation

directors are elected by the members of the Association the Board of Directors shall consist of three (3) directors; thereafter, unless altered by the Bylaws or by due exercise of authority stated therein, there shall be five (5) directors, having the terms stated in the Bylaws. The names persons who are to act in the capacity of directors until the first annual meeting of the Association and until their successors are elected and qualify are: G. Troy Purnell, Lee W. Williams, and George A. Purnell.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

DURATION

The Association shall exist perpetually.

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ARTICLE X

MEMBERSHIP RIGHTS

A member's rights shall be subject to conditions imposed by the Association and to suspension or limitation by the Association in accordance with the Declaration or the Bylaws. The Association shall be entitled to exclude a member from the Development and from meetings of the Association if the member has not furnished to the Association such evidence of the member's status as it shall require upon inquiry, for example, a copy of the deed(s) of ownership of a lot by the member. It shall be a member's duty, in

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ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC. Articles of Incorporation

the first instance (and without request or reminder by the Association), to ascertain the evidence that it requires for this purpose, and furnish it to the Association.

ARTICLE XI

MEMBERSHIP LIABILITIES

A member shall be liable for assessments and charges by the Association, fines and penalties imposed by it and costs of collection and other amounts as provided by the Declaration or the Bylaws. The liability of a member for all such assessments, charges and other amounts shall continue until paid and shall not be altered or affected if the member shall cease to be a member (owner of a lot).

ARTICLE XII

AMENDMENTS

Amendment of these Articles shall require the assent of 75 percent (75%) of the entire membership.

ARTICLE XIII

NO STOCK

The Corporation is not authorized to issue capital stock.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Maryland, I, the undersigned, acting as the incorporator of this Association, have signed these Articles of Incorporation and acknowledge them to be my act.

(SEAL) roy Purnell hcorporator.

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ASSATEAGUE POINTE RESORT

DECLARATION OF RESTRICTIONS, COVENANTS, EASEMENTS, EQUITABLE SERVITUDES, CHARGES, ASSESSMENTS AND LIENS

<u>Dated: September 11, 1990</u> (as thereafter amended by 1st-4th amendments)

THIS DECLARATION, by ASSATEAGUE POINTE, INC. a Maryland corporation, WITNESSETH THAT:

WHEREAS, Assateague Pointe, Inc., is the owner of certain real property located southeasterly of Maryland Route 611, in the Tenth Election District, Worcester County, Maryland, that includes certain land that has been or may hereafter be subdivided in phases as "Assateague Pointe Resort" ("Resort");

WHEREAS, Assateague Pointe, Inc., desires to impose restrictions, covenants, easements, equitable servitudes, charges, assessments and liens as a general plan for the development and benefit of the Resort and the mutual benefit of the owners, present and future, of lots therein, and to reserve or otherwise establish certain rights, powers and privileges for itself and its successors and assigns thereof;

NOW, THEREFORE, Assateague Pointe, Inc., declares that such lots and other property that may be or become subject to this Declaration shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the provisions of this Declaration, which are declared and agreed to be in furtherance of its plan for the development, improvement and use of such Lots and for the purpose of enhancing and protecting the value, desirability and attractiveness thereof. The provisions of this Declaration are intended: (i) to create mutual equitable servitudes upon each such lot in favor of all such lots, with their owners covenanting and agreeing with each and every other owner for their mutual benefit, that the owners, their heirs, personal representatives, successors and assigns will faithfully keep, observe and perform the provisions hereof for the benefit of each and every other owner; (ii) to grant each and every owner the right to enforce, in law or equity, the performance of such provisions by each and every owner; (iii) to operate as covenants running with the land for the benefit of each and every lot in the Resort and their respective owners, present and future; and (iv) to provide for an organization, herein referred to as the Association, to administer the provisions of this Declaration, to impose monetary charges on the lots, enforceable by liens and to exercise the powers herein provided for such organization, subject, however, to the rights, powers and privileges reserved or otherwise established for the Declarant and its successors and assigns.

AND, Assateague Pointe, Inc., does hereby submit and subject to this Declaration, all of the Lots, Common Area and private roads shown as "Phase 1" and as Outlots "D" and "F" on the plat entitled "Assateague Pointe Resort Phase 1 And Other Lands" that is dated June 20, 1990, and recorded among the Land Records of Worcester County, Maryland, in Plat Book R.H.O. No.126, Folio 31, <u>et seq</u>.

I. DEFINITIONS

The following terms and phrases as used in this Declaration shall be defined as follows, unless the context clearly indicates otherwise:

1.1 "<u>Association</u>" means the Assateague Pointe Homeowners Association, Inc., a Maryland not-for-profit corporation.

1.2 "Board" means the Board of Directors of the Association.

1.3 "Bylaws" means the Bylaws of the Association.

1.4 "<u>Committee</u>" means the Association's Environmental Control Committee the members of which, initially, shall be the members of the Board and thereafter shall be such as are appointed by the Board, pursuant to the provisions hereof.

1.5 "<u>Common Area</u>" means any and all real property designated as such on the Plat(s) together, in each instance, with all improvements now or hereafter constructed thereon, together with any other land or improvements that the Association shall acquire or lease that is designated as a Common Area by the Board.

1.6 "<u>Declarant</u>" means the maker of this Declaration and any successor to its rights, powers and privileges as Declarant pursuant to any documents that may be recorded among the Land Records of Worcester County, Maryland.

1.7 "Declaration" means this Declaration, as it may be amended or supplemented from time to time.

1.8 "Development" means all of the Lots and Common Area that has been or may be subjected by Declarant to this Declaration or any Supplemental Declaration, as provided herein.

1.9 "<u>Improvements</u>" means all Permitted Homes and additions, buildings, storage sheds, driveways, parking areas, fences, retaining or other walls, patios, decks, awnings, landscaping, poles, antennae and any other structures or fixtures of any type or kind.

1.10 "Lot" means any numbered tract of land designated on a recorded Plat of land that has been or may be submitted by Declarant to this Declaration, or any Supplemental Declaration(s), as provided herein; provided, however, that land designated on such Plat as "outparcel" shall not be within the meaning of the term "Lot" as herein defined and used.

1.11 "<u>Management Contract</u>" means an agreement, if any, between the Declarant and the Managing Agent that provides for management services to the Association in connection with the operation, maintenance and use of the Development, including the Common Area.

1.12 "<u>Managing Agent</u>" means the person or firm, if any, that is providing management services pursuant to a Management Contract.

1.13 "Owner" means any person or entity, including Declarant who hold(s) fee simple title to any Lot.

1.14 "<u>Plat</u>" means a final subdivision plat with respect to the Development that is now or hereafter recorded by the Declarant in the Land Records of Worcester County, Maryland. The term "Plats" shall mean all such plats and any additions or revisions thereto.

1.15 "Permitted Home" means and includes, but is limited to:

(a) <u>Manufactured Home</u> – a structure transportable in one or more sections, built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities and which meets all of the following criteria when set up for occupancy: (i) is no more than forty (40) feet in body length or twenty-four (24) feet in body width, (ii) is no higher than seventeen (17) feet, and (iii) is no greater than seven hundred fifty (750) square feet.

(b) <u>Park Home</u> - a vehicular unit capable of obtaining a state motor vehicle title and which meets all of the following criteria: (ii) built on a single chassis, permanently mounted on wheels, designed for human occupancy and for connection to utilities necessary for installed fixtures and appliances, and (ii) has a width of at least ten (10) feet and does not exceed a total of four hundred (400) square feet when set up for occupancy.

1.16 "<u>Roads</u>" means the roadways that are designated as such on a Plat. The Roads shall not be available or dedicated for use by the general public except to the extent that the Association shall expressly agree in a written document that is recorded among the Land Records. The term "Roads" does not include the private access roadway running southeasterly from Maryland Route 611 to the northwesterly boundary of Phase 1 of the Development.

1.17 "<u>Tent</u>" means and includes any temporary shelter composed primarily of natural or synthetic fabric or film.

1.18 "WCSD" means the Worcester County Sanitary District, a body corporate and politic.

1.19 "<u>Transfer, Construction and Operation Agreement</u>" means the agreement between the Declarant and the Association dated September 11, 1990, providing for, inter alia, transfer of Common Area to the Association, construction of Improvements thereto, transfer thereof to the Association and the operation and maintenance of such Common Area and Improvements by the Association.

1.20 "<u>Utility Facilities</u>" means all property, real, personal or mixed, acquired or constructed by Declarant or the Association that is used or useful in connection with providing water service, sanitary sewage or storm water collection and disposal service or electric service to Lots within the Development.

II. TERM AND SCOPE; EXEMPTIONS

2.1 <u>Binding Effect</u>. This Declaration and its provisions shall run with and touch and concern the land in perpetuity, and shall be binding upon all parties claiming any interest in the Development unless an amendment hereto has been duly adopted and recorded as hereinafter provided.

2.2 <u>Personal Liability</u>. This Declaration and its provisions shall be binding upon and enforceable against all persons and entities who are present in the Development, including tenants and other occupants, as well as the Owner of each Lot, who shall be subject to such personal liability and obligations as may arise hereunder.

2.3 <u>Other Regulation</u>. This Declaration and its provisions shall operate in addition to and not in lieu of applicable laws and governmental regulations except to the extent therein provided to the contrary.

2.4 <u>Declarant's Exemption</u>. This Declaration shall not apply to or affect the following acts or activity by Declarant or its employees, agents or contractors, which shall be exempt from the provisions of this Declaration:

(a) The initial construction of any improvements that are part of the Development or its improvements, including but not limited to the streets, utilities and systems, homes or other improvements on the Lots or Common Area and the repair or maintenance thereof.

(b) Speculative construction on the Lots.

(c) Marketing and sales or resale of the Lots and improvements to be installed on them, including the use of directional and promotional signs, sales offices, and models.

III. LOT RESTRICTIONS

3.1 <u>Use and Occupancy Restrictions</u>. The following restrictions shall be applicable to the Lots and their use and occupancy; each Owner covenants to observe and comply with them and to require all guests and occupants of the Owner's Lot to do so:

(a) <u>Use</u>. A Lot that has been sold by Declarant may be improved and used for residential purposes only by means of a Permitted Home and such addition thereto and other improvements as may be permitted by or pursuant to this Declaration. Tents may not be placed on Lots under any circumstance.

(b) <u>Seasonal Occupancy</u>. Lots shall be occupied only on a seasonal basis and shall not be occupied as a place of primary or permanent residence or domicile; students attending schools in Worcester County may not reside on the Lots during the school year. Between September 30th of each year and April 1st of the succeeding year, a Lot may not be occupied for more than 30 consecutive days or an aggregate of 60 days.

3.2 <u>Setback Requirements</u>. All Improvements, except pads and equipment for heating and cooling, placed on a Lot shall comply with the following minimum setbacks ("yards"), measured from the Lot's boundaries ("Lot lines"), which shall apply to all parts of a structure or Permitted Home (i.e., steps, eaves, awnings, patios, decks, ramps, etc.):

(a) A front yard of ten (10) feet; and

(b) A left side yard of seven (7) feet; and

(c) A right side yard of three (3) feet; and

(d) A rear yard of eight (8) feet, notwithstanding that the Plat and this Declaration provide for a greater (10-foot) utility/drainage easement parallel to the rear lot line.

(e) If a yard faces on a drainage easement, the setback shall be ten (10) feet.

(f) In the case of storage sheds the rear-yard setback shall be five (5) feet and the side-yard setback shall be zero (0) feet.

The Committee may, for good cause shown, grant a variance from the rear-yard setback or drainage easement setback of not more than five (5) feet in any of the following instances: (i) to eliminate any undue hardship on an irregularly shaped lot, or (ii) to allow flexibility in the use of a lot that is contiguous to an Outlot established by the Plat.

3.3 <u>Separation Requirement</u>. When placed or constructed on a Lot, a Permitted Home and additions to it shall be separated by at least ten (10) feet from any Permitted Home or additions to it located on any other Lot.

3.4 <u>Approval of Plans</u>. No Permitted Home, addition thereto or other improvements shall be placed or constructed on a Lot or thereafter altered or enlarged (including but not limited to changing its color), and the grade and topography of a Lot shall not be changed or altered in any manner without the prior written approval of the Committee. As a prerequisite of its consideration of a request for such approval, the Committee may require such plans and specifications and other information as may be reasonable. Generally, the Committee will not approve any storage shed that exceeds eight (8) feet by ten (10) feet in size and ten (10) feet in height located in the rear yard of a Lot. A building permit or zoning action required for the subject of the requested approval by the Committee shall not be pertinent to or necessary for its approval of the request, but such approval shall not operate to avoid the need for such building permit or zoning action, if any, that may be required. Reference is made to the provisions of this Declaration that more particularly describe the operation of the Committee and the approval of plans.

3.5 <u>Construction Period</u>. The construction or demolition of any structure or other improvement shall, upon commencement, proceed in an expeditious manner to completion, subject only to ordinary delay, such as inclement or unseasonable weather, and delay caused by unforseen occurrences that are beyond the control of the Owner of the Lot, who shall cause such work to comply with this covenant. The term "expeditious manner" shall mean the manner in which the work would be prosecuted by commercial contractors subject only to delay of the kinds described above; provided, however, that no construction or demolition shall remain incomplete for more than two (2) months after the first activity occurs on a Lot for the purpose of its prosecution or completion, except to the extent that the work is delayed by unforseen occurrences that are beyond the Owner's control. All materials and equipment used for the construction or demolition shall be removed from the Lot within ten (10) days after the work has been completed or further prosecution of the work has been abandoned. A period of twenty (20) days without substantial change in the state or condition of the work shall be <u>prima facie</u> evidence that further prosecution thereof has been abandoned and, if the work has not been completed in accord-ance with the plans and specifications for the work that have been approved by the Association, it shall be entitled to cause the work to be declared a public nuisance and to cause it to be demolished, completed or modified to conform to such plans and specifications. An Owner shall be subject to legal remedies to enforce this covenant, including a mandatory injunction directing the Owner to complete the work. All costs incurred by the Association to enforce an Owner's duty regarding the expeditious completion of construction or demolition, including costs of suit and attorney's fees, shall be enforceable as a personal liability and also by means of assessment upon the Lot by the Association, which shall be entitled to enforce such assessment by establishment and enforcement of a lien against the Lot in accordance with the Maryland Contract Lien Act.

3.6 <u>Repair of Casualty</u>. A building or other improvement that is damaged by fire or other casualty so that the exterior appearance does not conform to the plans and specifications as approved by the Committee shall be deemed to be in the process of being constructed, with the time for commencement of construction being the date when it was so damaged, and the Owner shall be required to repair the building in a manner that complies with such plans and specifications (or modifications thereof) or to demolish the structure to the satisfaction of the Committee in an expeditious manner.

3.7 <u>Maintenance of Lots</u>. Each Lot, whether occupied or unoccupied, and the Improvements thereon shall at all times be maintained by the Owner in such a manner as to prevent them from becoming unsightly, unsanitary, or a hazard to health or safety. The Owner of a Lot shall promptly remove any trash or refuse that may accumulate thereon and restore or replace any grass or other vegetation that becomes damaged or diseased. If not so maintained, the Association shall have the right, through its agents, employees or contractors, to provide such maintenance or take other corrective work which, in its sole discretion, it deems necessary, the

cost of which shall be payable by the Owner of such Lot immediately upon billing, and if not paid, shall together with interest at the rate of interest thereon, from the billing date, be added to the next annual assessment applicable to such Lot as provided in Part IX ("Assessments, Liens") hereof. The Association and its agents, employees and contractors may enter onto a Lot at any time to provide or perform such work. Neither the Association nor any of its agents, employees or contractors shall be liable for any damage which may result from any such maintenance work or other corrective action, except for damage caused by gross negligence.

3.8 Additional Restrictions:

(a) <u>Waste Disposal</u>. No Owner or occupant of any Lot shall permit or allow the dumping or placement of any sanitary sewage or other waste anywhere upon any Lot or elsewhere within the Development except in places designated therefor by Declarant or the Association. No sewage, garbage or Liquid or solid waste disposal systems shall be permitted on any Lot. Garbage and trash receptacles shall not be permitted outside of a Permitted Home or building. Trash and garbage shall be deposited at specified locations within the Development for regular trash collection in bags or containers of a kind approved by the Association.

(b) <u>Fences and Clotheslines</u>. All Lots shall be kept free and open and no fences, ledges or walls shall be erected thereon, except as permitted by the Committee. Only clotheslines of a type approved by the Committee shall be used outside a Permitted Home or building.

(c) <u>Nuisances</u>. No noxious or offensive activities or nuisances shall be conducted or permitted in the Development; radios, televisions and speakers shall be a nuisance if they disturb anyone present on any other Lot. Each Owner shall have a duty to prevent Lot from becoming unclean, unhealthy or unsightly and to prevent the occurrence of any activity or conduct thereon that unreasonably disturbs the occupants of any other Lot or constitutes an unusual or unreasonable threat or danger to their health or safety.

(d) <u>Signs</u>. No person except Declarant shall erect or maintain any sign or advertisement in the Development, with the exception of name signs, no more than 8 inches by 20 inches in size, constructed of material and design approved by the Committee. "For Sale" or "For Rent" signs are strictly prohibited. Declarant shall have the privilege to erect and maintain advertising and other signs upon Lots that it owns for the purpose of their development and marketing.

(e) <u>Animals</u>. No animals shall be kept or maintained on any Lot except ordinary, domesticated household pets. Pets shall be kept confined and quiet so as not to become a nuisance. Unless otherwise approved by the Association, pets shall be kept on leashes when outside the Permitted Home, and shall be limited to the Lot or to exercise areas designed by the Association in the Common Area. Anyone who exercises a pet shall be required to promptly remove any droppings by the pet. All pets that are subject to rabies must be inoculated against rabies. No commercial breeding or housing of pets shall be permitted within the Development. Pets may not be kept unattended on a Lot or the Common Area, either confined or tied. An Owner or other occupant of a Lot who continued, after notice, to violate these regulations on pets may be disciplined by the Association, which may suspend or permently revoke his or her privilege to keep a pet by action of the Board of Directors.

(f) Limit of Occupancy. No more than one (1) Permitted Home may be erected or placed upon a Lot.

(g) <u>Open Fires</u>. No open fires of any kind shall be permitted on any Lot except within the confines of a cooking device of a design approved by the Association. No burning of wood, leaves, trash, garbage, or similar refuse shall be permitted.

(h) Lot Accessories. Picnic tables, benches, fire boxes or fireplaces and items of personal property that meet the standards adopted by the Association, may be placed on a Lot. All personal property on a Lot shall be maintained in good condition so as not to become unsightly and shall be removed from the yards or exterior of the Lot (deck, patio, etc.), except as the Association may otherwise allow by rules, at times designated by it for mowing or other work and whenever a Lot is unoccupied for more than three (3) days. If personal property is not removed as required, the Association may remove it and charge a reasonable fee for doing so.

(i) <u>Removal of Trees</u>. Following its conveyance by Declarant, no trees over two (2) inches in diameter may be removed from a Lot without the approval of the Committee. No trees or natural growth of any kind shall be removed or cleared within the set back areas of a Lot, except for normal and routine maintenance, without the approval of the Committee.

(j) <u>Prohibited Uses</u>. No retail business, profession or merchandising (including but not limited to "yard sales" and auctions) shall be conducted on any Lot; this restriction shall not prohibit or affect the rental of a Lot to tenants for residential use otherwise complying with the provisions of this Declaration or any activity of the Declarant for the purpose of completing or promoting the Development or its sale of Lots or the placement, construction, sale or operation of improvements thereon by the Declarant.

(k) <u>Ditches and Swales</u>. Each Owner shall keep drainage easements, ditches and swales located on the Lot free and unobstructed. The Owner shall take reasonable steps to prevent erosion from occurring on his Lot.

(l) <u>Drilling and Mining</u>. No excavating, drilling, refining, quarrying or mining operation of any kind shall be permitted, nor shall drilling for water or digging of water wells be permitted on any Lot.

(m) <u>Required Parking Spaces</u>. There shall be at least two (2) parking spaces meeting the requirements of the Worcester County Zoning Code on each Lot.

(n) <u>Boats and Trailers</u>. Boats and trailers may not be parked or stored on a Lot for more than 48 consecutive hours if space is available in a storage area designated by the Association; a consecutive period shall be deemed not to have ended by the removal of a boat or trailer from a Lot if it is returned to the Lot within twelve (12) hours after being removed from it. No more than one boat or trailer may be parked or stored on a Lot at one time regardless of the availability of space in a storage area designated by the Association.

(o) <u>Prohibited Vehicles</u>. The following vehicles may not be brought into the Development or parked in it: (i) unlicensed or inoperable vehicles, and (ii) vehicles that are being repaired, rebuilt, repainted or junked. Motorized minibikes, snowmobiles, trail bikes, and "all-terrain" or "off-road" vehicles may not be operated in the development but may be brought into the Development on trucks or trailers, provided that they are not off-loaded. Notwithstanding the above, golf carts are permitted.

(p) <u>Use of Roads; Motor Vehicles, etc</u>. No motor vehicle of any type shall be driven or towed in a reckless manner in the Development. All drivers of motor vehicles shall observe speed restrictions and noise limitations within the Development as established from time to time by the Association. Vehicles shall not be parked on the Roads or left unattended thereon. Vehicles may not be operated in violation of law or by anyone not licensed to operate such a vehicle on Maryland public roads.

(q) <u>Guests and Invitees</u>. Any person entering the Development at the invitation of an Owner, other than members of an Owner's family, may be required to be registered with the Association and shall be subject to such rules and regulations as the Association shall adopt from time to time applicable thereto.

(r) <u>Intoxicating Beverages</u>. The excessive use of intoxicating beverages is strictly prohibited within the Development. Any inebriated person who becomes a hazard to the health, safety and welfare of other persons present in the Development shall not be permitted to enter or remain within the Development.

(s) <u>Television and Radio Antennae</u>. Except as permitted by the Committee, no radio or television antennae shall be erected or placed on any Lot. If and when cable television service shall be available within the Development, antennas shall be strictly prohibited and all existing antennas shall be removed within six (6) months thereafter.

(t) <u>Hunting; Firearms and Weapons</u>. No hunting or shooting, use or discharge, of firearms, pellet guns, air guns, slingshots, bows and arrows or other weapons shall be permitted within the Development.

(u) <u>Electrical Resistance Equipment Prohibited</u>. No equipment (stoves, heaters, etc.) that uses electrical resistance to generate heat may be operated on a Lot except as may be approved by the Association.

(v) <u>Public Events/Meetings</u>. Events and meetings that are open to the public or that are advertised in the broadcast, print or other media, such as newsletters, flyers, etc., may not be held on the Lots. Examples of events that are intended to be prohibited by this restriction are: "yard sales" and "public auctions".

(w) <u>Rental of Lots; Leases</u>. Lots may not be rented except by a written lease that grants to the tenant the use and possession of the entire Lot and improvements, except storage areas, to the exclusion of other occupants. The lease must be on such form (or contain such language) as the Association may prescribe from time to time. The Association may impose reasonable regulations in regard to rental of Lots and limit the use of the recreational facilities and amenities on the Common Area by tenants. Every lease shall expressly state that the premises are subject to this Declaration and its provisions and shall contain such portions of the Declaration as the Association may prescribe. An Owner shall be liable to the Association and the Owners of other Lots for the acts of the Owner's tenants (and social guests).

(x) <u>Sight Lines</u>. Each Lot shall be maintained so that its improvements and landscaping do not interfere with or obstruct the line of vision at street intersection or curves.

(y) <u>Further Subdivision</u>. A Lot may not be further subdivided ("resubdivided") except with the approval of the Association and Declarant.

IV. COMMON AREA

4.1 <u>Roads</u>. Declarant's recording of a Plat shall not be construed as dedication of the Roads (or any other land or improvements) to public use. The Roads shall be constructed by Declarant and transferred to the Association pursuant to the provisions of the Transfer, Construction and Operation Agreement. All Owners shall have the use and enjoyment of the Roads subject to the provisions hereof and to reasonable rules and regulations from time to time adopted by the Association. Declarant reserves the right to the use of the Roads in connection with its development and sale of this and subsequent phases of Assateague Pointe Resort and for the development, operation and maintenance of a marina facility and related uses on the land that is designated and described as Outlot I on the Plat. Operation and maintenance of Roads shall be the responsibility of the Association; provided, however, that Declarant shall be responsible for the reasonable cost of repairing any damage to the Roads clearly attributable to Declarant's activities.

4.2 Other Common Area. All other Common Area, except the Utility Facilities (which are governed by Part VI hereof), are and shall remain private property and Declarant's recording of the Plats shall not be construed as dedication of any such Common Area to public use. Subject to the provisions of the Transfer, Construction and Operation Agreement, Declarant will transfer to the Association the Common Area together with any improvements constructed thereon. The use and enjoyment of Common Area and improvements thereon shall be subject to the provisions hereof and to reasonable rules and regulations from time to time adopted by the Association. Declarant program. Operation and maintenance of Common Area and any improvements thereon, including repair to any such improvements, shall be the responsibility of the Association. All improvements must be approved by the Committee as hereinafter provided.

V. EASEMENTS

5.1 Lots. The following easements over each Lot and the right of ingress and egress to the extent reasonably necessary to exercise such easements are reserved unto Declarant, its successors, assigns, and licensees:

(a) <u>Easements Along Lot Lines</u>. A three (3) foot wide area adjacent to the side Lot line and a ten (10) foot area adjacent to the front and rear Lot lines for the purpose of construction, installation, operation and maintenance of drainage courses, culverts, etc., and Utility Facilities, including telephone, water, sewer, radio and TV transmission lines, if any, and including the accessory

right to locate guy wires, braces or anchors, or to cut, trim or remove trees, shrubs or plantings wherever necessary.

(b) <u>General Utility Easement</u>. An easement over any portion, or all, of every Lot in the Development for the maintenance of all utility lines, including, but not limited to, water, sewer, electricity, drainage, telephone and radio or TV transmission, is created and reserved unto the Declarant, its agents, employees, licensees, successors and assigns.

(c) <u>Drainage Easement</u>. A ten (10) foot wide area adjacent to the rear Lot line that may be used for the purpose of cutting, filling, drainage and maintenance of slopes and drainage courses.

(d) <u>Grass Mowing</u>. A general easement over all unimproved areas of Lots for the purpose of maintaining and mowing the grass portions thereof.

(e) <u>Road-widening Easement</u>. Where a Road is less than forty (40) feet wide, an easement running along the inside of all Lot lines coincident with the right-of-way lines shall exist for the purpose of widening the Road to forty (40) feet in the event that Worcester County, Maryland, elects to maintain the Roads within the Development.

5.2 <u>Roads</u>. Declarant, on behalf of itself, its successors, assigns and licensees, reserves an easement over, upon and under all Roads for installation, maintenance and operation of Utility Facilities, for purposes of drainage control, for access to Lots and Common Areas by Owners, the Association and Declarant (including improvement of land to be added to the Development), and for use by any other authorized person.

5.3 <u>Other</u>. Any other easements shown on the Plat and an easement in favor of Declarant, its agents, employees, licensees, successors and assigns, including the Association, upon all land within the Development for the enforcement of this Declaration.

5.4 <u>Use or Maintenance by Owners</u>. The area of any Lot affected by the easements reserved herein shall be maintained by the Owner, but no structure (other than a storage shed), plantings or other material shall be placed or permitted to remain thereon or other activities undertaken thereon which may damage or interfere with the use of the easements for the purpose herein set forth. Improvements within such areas shall be maintained by the Owner except those for which the Association or a utility company is responsible.

5.5 <u>Liability</u>. No Owner shall have any claim or cause of action against Declarant or its licensees arising out of the exercise or non-exercise of any easement reserved hereunder.

VI. SHARED AND OTHER UTILITY FACILITIES

6.1 <u>Construction and Ownership</u>. Declarant will install a sanitary sewage treatment and collection system and a water treatment and distribution system pursuant to the Shared Facilities Agreement between Declarant and the Worcester County Sanitary District ("WCSD") dated June 26, 1990, and recorded among the Land Records of Worcester County in Liber R.H.O. No. 1659, Folio 10.

The collection and treatment facilities for the sewage system will be owned by the Declarant until such time as they may be transferred to the WCSD pursuant to the terms of the Shared Facilities Agreement or to the Association, subject to such terms. The wells, treatment facilities and distribution lines for the water system will be owned by the Declarant until such time as they may be transferred to the WCSD pursuant to the terms of the Shared Facilities Agreement or to the Association, subject to such terms.

Declarant will install a distribution system for electric service to the Lots under an arrangement with Choptank Electric Cooperative, Inc. The primary electric transformers and transmission lines and related equipment will be the property of Choptank Electric Cooperative, Inc. The distribution facilities for the electric service to the Lots will be owned by the Association.

All telephone cable and related facilities will be the property of the Chesapeake and Potomac Telephone Company.

The Declarant may install such other systems for additional services within the Development, such as CATV, as it may elect.

6.2 Operation and Maintenance. Subject to the Shared Facilities Agreement, the Association shall operate and maintain all Utility Facilities in accordance with sound utility management practices and shall pay all costs thereof, including all real estate and other taxes or public charges imposed upon the Utility Facilities and any land of the Declarant on which they are located, and may (but is not required by this Declaration) to maintain reserves for replacement from (i) revenues from annual or special assessments levied by the Association pursuant to Part IX hereof or (ii) such charges for the availability and/or use of utility services as the Association shall establish. Such charges shall be enforceable and collectible as in the same manner as assessments, pursuant to Part IX of this Declaration, and may be made separately for the availability of specific services and for the actual use ("consumption") of services, based upon such criteria and projections as the Association deems to be appropriate.

6.3 <u>Rules and Regulations</u>. Use and enjoyment of services provided by the Utility Facilities shall be subject to reasonable rules and regulations as shall be adopted from time to time by the Association.

6.4 <u>Modification and Alteration</u>. No modification or alteration of any Utility Facilities shall be permitted without the approval of the Association; provided, however, that such approval shall not be required for any work performed by Declarant to alter or improve the Utility Facilities to comply with applicable governmental standards or regulations.

6.5 <u>Discontinuance of Service</u>. The Association may discontinue service from the Utility Facilities to any Lot, upon 15 days' written notice to the Owner thereof, if such Owner is delinquent with respect to payment of any charge for the availability or use of any utility service or any annual or special assessment imposed pursuant to provisions of Part IX hereof, or if such Owner otherwise is in violation of any provision hereof or any rule or regulation of the Association applicable to services provided by the Utility Facilities.

6.6 <u>Assumption of Declarant's Obligations</u>. The Association shall assume and perform promptly and completely all obligations of Declarant under the following:

(a) Shared Facilities Agreement between Sanitary District, dated June 26, 1990, and recorded among the Land Records of Worcester County, Maryland, in Liber R.H.O. No. 1659, Folio 10, arising after the transfer to the association of the responsibility for the operation of such the facilities (sever and water systems) that it governs;

(b) Inspection and Maintenance Agreement ["stormwater management agreement"] between the Declarant and Worcester County, Maryland, dated December 11, 1989, to be recorded among the Land Records of Worcester County, Maryland.

VII. <u>THE ENVIRONMENTAL CONTROL COMMITTEE</u> (the "Committee")

7.1 <u>Approval of Improvements</u>. All Improvements constructed or placed on any Lot shall first have the written approval of the Committee. Such approval shall be granted only after written application has been made to the Committee in the manner and form prescribed by it. The application shall be accompanied by plans and specifications, which shall indicate the location of all Improvements proposed, the color and composition of all exterior materials to be used, proposed landscaping, and any other information which the Committee may require.

7.2 <u>Membership</u>. The Committee shall be composed of at least three (3) and not more than five (5) persons to be appointed by the Board. Initially, or until such time as appointments to the Committee are made, the Committee shall be composed of members of the Board. Committee members shall be subject to removal by the Board and any vacancies from time to time existing shall be filled by appointment by the Board.

7.3 <u>Reasons for Disapproval</u>. The Committee may disapprove any application:

(a) if it does not meet the requirements of this Declaration;

(b) because of the reasonable dissatisfaction of the Committee with grading plans, location of the proposed Improvements on a Lot, finished ground elevation, color scheme, finish, design, proportions, architecture, shape, height or style of the proposed Improvements or materials used; or

(c) if, in the sole judgment of the Committee the proposed Improvements would be inharmonious with the Development, or with any Improvement placed on any other Lot.

7.4 <u>Variances and Adjustments</u>. The Committee may grant reasonable variances or adjustments to avoid unnecessary hardship if the granting thereof will not be materially detrimental or injurious to Owners of other Lots.

7.5 <u>Rules and Regulations</u>. The Committee shall from time to time adopt written rules and regulations of general application governing its procedures which shall include, among other things, provisions for the form and content of applications, required number of copies of plans and specifications, provisions for notice of approval or disapproval, including a reasonable time period of approval by reason of failure to disapprove, etc.

7.6 <u>Certification of Compliance</u>. At any time prior to completion of construction of an Improvement, the Committee may require a certification, upon such form as it shall furnish, from the contractor, owner or a licensed surveyor, as the Committee elects, that such Improvement does not violate any setback, ordinance or statute, nor encroach upon any easement or right-of-way of record, and that it complies with plans and specifications that the Committee approved and the terms and conditions of its approval.

7.7 <u>Fees</u>. As a means of defraying its expenses, the Committee may adopt and impose a reasonable filing fee to accompany the submission of plans and specifications.

7.8 <u>Liability for Defects</u>. Notwithstanding the approval by the Committee of plans and specifications or its inspection of the work, neither it, the Declarant, the Association, nor any person acting on behalf of any of them shall be responsible in any way for any defects in any plans or specifications or other material submitted to the Committee, for any defects in any work done pursuant thereto or for the conduct of the contractors or workmen. Each person submitting such plans or specifications shall be solely responsible for the sufficiency thereof and the adequacy of Improvements constructed pursuant thereto.

7.9 <u>Appeal of Decisions</u>. Any applicant shall have the right to appeal to the Board from any adverse decision of the Committee within 30 days after entry of such decision. The decision of the Board shall be final and is not subject to review by the courts.

VIII. ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC. (the "Association")

8.1 <u>Membership Required</u>. Every Owner, as defined herein, shall be a member of the Association.

8.2 <u>Nature and Purposes</u>. The Association is a Maryland not-for-profit corporation organized to promote and protect the common interests of the Owners in the Development. The Association shall have the duties, responsibilities, rights and privileges with respect to the Development that are provided herein or in its Articles of Incorporation. In addition, except to the extent otherwise provided herein or in its Articles of Incorporation, the Association shall have the power and authority to act on behalf of its members in respect to matters affecting the Development in any manner that the Board shall approve.

8.3 <u>Classes of Members</u>. The classes of members of the Association and the voting rights thereof shall be as follows:

(a) <u>Class A</u>. The Owners, excluding Declarant, of the Lots within the Development shall be the Class A Members of the Association. Class A members shall be entitled to one (1) vote for each Lot owned by such members, with respect to all matters required hereby, or by the Articles of Incorporation or Bylaws to be voted upon by members of the Association. The vote for a specific Lot may be cast by any person who is an Owner with respect to the Lot or who is an officer or duly designated proxy of such Owner, but may not be split or allocated among such Owners if more than one. Any disputes as to the right to vote with respect to any such Lot shall be determined by the Board, which decision shall be final and not subject to appeal to or review by any court.

(b) <u>Class B</u>. The Declarant shall be the Class B member. With respect to all matters required hereby or by the Articles of Incorporation or Bylaws to be voted upon by members of the Association, the Class B member shall be entitled to five (5) votes for each Lot then owned by the Class B Member.

8.4 <u>Board of Directors</u>. The governing body of the Association shall be the Board, the members of which shall be elected by the members for such terms and in the manner provided in the Bylaws. The authority to act on behalf of the Association may be delegated by the Board to such persons or groups as it shall designate in its written minutes, subject to such procedures and processes as it may prescribe.

8.5 <u>General Operation</u>. Except as provided herein, the Articles of Incorporation and Bylaws shall govern the operation of the Association, including the designation and election of officers, time, place and notice of meetings and the rights, duties, privileges and obligations of membership. In the event of any conflict between provisions of the Articles of Incorporation or Bylaws and this Declaration, the provisions of this Declaration shall prevail.

8.6 Litigation. Notwithstanding anything in this Declaration or the ByLaws to the contrary, the Association shall not commence litigation on behalf of itself or the Owners (other than for the collection of any annual or special assessment due by an Owner and any claim arising out of a contract by the Association for goods or services) unless the commencement of such litigation has been approved in advance by a majority vote of the Owners at an annual or special meeting of the Association. The notice of the meeting must state that the approval of the litigation may come before the meeting and include a bonafide discussion of the particulars and merits of the litigation, the kind and amount of damages, and a detailed estimate of all anticipated costs to the Association of the litigation (including trial and appeal) such as attorneys' fees, expert advice and testimony and related expenses (printing, stenography, etc.). The presence in person (not by proxy) of a majority of the Owners shall be necessary and sufficient at any such meeting of the Association to constitute a quorum for the purpose of approving the commencement of litigation pursuant to the preceding sentence.

IX. ASSESSMENTS AND LIENS

9.1 Liability; Lien; Enforceability. Each Owner of a Lot, by acceptance of a deed therefor, covenants and agrees to pay to the Association each of the assessments and charges that it shall impose upon the Lot or the Owner at such time as the Owner holds any record ownership interest in the Lot, including: (a) annual assessments; (b) special assessments; (c) charges for the availability and/or use of utility services; and (d) additional charges made in accordance with this Declaration. Each such assessment or charge that is made by the Association as aforesaid shall result in the creation of a lien on the Lot against which it is made (or in the case of a charge against an Owner, each Lot in which such Owner has an interest) that is enforceable by the Association pursuant to the Maryland Contract Lien Act. Such Lien shall secure the assessment or charge and all damages, costs of collection, late charges and attorneys fees arising from or as a result of the failure to pay the assessment or charge to the Association when it becomes due and payable.

9.2 <u>Assessments by Association</u>. Assessments shall be made and collected by the Association against all Lots within the Development, provided, however, that no assessment or charge (other than for water and sewer

availability and/or use) shall be made against any Lot while Declarant is the Owner thereof and that such assessments or charges made during or with respect to such period that Declarant owns a Lot shall not be enforceable against it or the Declarant or future owners of the Lot.

9.3 <u>Annual Assessments</u>. The Association shall levy and collect, in each year, an annual assessment upon each Lot liable therefor in an amount sufficient to provide revenues to (i) pay all costs of operation of the Association and all expenses incurred by it pursuant to this Declaration or for the purpose of its administration or enforcement, (ii) pay all costs of operation, maintenance and improvement of the Common Area, (iii) pay all costs of operation, maintenance and improvements of the Utility Facilities, (iv) provide for working capital and (v) establish and maintain such reserves as the Board deems reasonable, provided, however, that the establishment of reserves is not required by this Declaration. For each calendar year, and on the basis thereof, shall establish the amounts of the annual assessment for such year and shall collect the same. The annual assessment shall not be levied upon or collected with respect to a Lot until its title has been conveyed to an owner other than Declarant; the annual assessment payable with respect to such Lot shall be pro-rated on the basis of the number of months remaining in the applicable assessment year at the time of such conveyance, and shall be paid at settlement of the sale by the grantee named in the deed, who shall be personally liable for the pro-rated portion thereof.

9.4 <u>Special Assessments</u>. In addition to the annual assessment authorized above, the Association, by its Board, may levy special assessments applicable to a calendar year or a period of several such years, for the purpose of any construction, reconstruction, repair or replacement of the Common Area and its improvements, including fixtures and personal property related thereto, and to purchase or construct additional improvements thereon or such other purposes as the Board may deem to be proper.

9.5 <u>Uniformity of Assessments</u>. Annual assessments and special assessments shall be fixed at a uniform rate for all Lots, except as elsewhere provided herein, and may be collected on a monthly, quarterly or annual basis as determined from time to time by the Board. Other charges, to the extent authorized hereby, may be included in any annual assessment with respect to any Lot, by action of the Board.

9.6 <u>Fines and Penalties</u>. The Association is also authorized to impose fines and penalties against any Owner, upon a finding by the Committee, subject to an appeal to the Board, which appeal shall be final, that such Owner has violated any of the covenants contained in Article IV hereof. Such fines and penalties shall be enforceable and collectable against an Owner and the Owner's Lot(s) in the same manner as assessments by the Association, and upon default in the payment of a fine or penalty the same consequences of default shall arise as in the case of such an assessment, including a lien, interest, late charges and costs of collection, including attorney's fees. Rules and regulations as to procedures for the filing of complaints and hearing before the Committee in connection with adjudication of any such violations and the amounts and procedures applicable to any such fines or penalties may be adopted from time to time by the Board.

9.7 <u>Notice of Assessments</u>. Notice of any assessment shall be mailed by the Association to each Owner, addressed to such Owner's mailing address that appears in the records of the Association (or, if in the absence of such address, to the address that is listed on the tax rolls for the Lot), with postage prepaid. The date(s) for payment of any assessment shall be fixed by the Board and shall be contained in the notice. The Association may publish the name of delinquent Owner in a list of delinquent Owners or by any other means of publication.

9.8 <u>Certification of Assessments</u>. The Association shall upon demand at any time furnish a statement in writing signed by an officer of the Association certifying that all assessments and charges against a specified Lot have been paid or itemizing each assessment or charge, if any, against said Lot that remain unpaid, as of the date thereof. A reasonable fee may be required by the Board, in advance, for issuance of such certificate. Such certificates shall be conclusive evidence of payment of such assessments or charges therein stated to have been paid.

9.9 <u>Priority of Liens</u>. The lien of any mortgage or deed of trust placed upon any Lot solely for the purpose of securing the loan of purchase money for acquisition thereof or of any improvements thereon and recorded in accordance with the laws of the State of Maryland, shall be, from the date of recordation, superior to any or all such liens provided for herein for assessments by the Association and sums arising from the nonpayment or collection thereof.

9.10 <u>Interest; Late Charges</u>. Any assessment or charge by the Association which shall remain unpaid thirty (30) days subsequent to its due date shall commence to accrue interest on the thirty-first (31st) day at the rate of one and one-half per cent (1-1/2%) per month. Said interest shall be treated in all respects

as a part of the assessment. In addition, the Association may impose a late charge, for failure to pay any assessment or installment thereof on its due date; such late charge shall be limited to the greater of twenty dollars (for each default) or 10 percent of the amount not paid when it becomes due.

9.11 <u>Denial of Owner's Privileges</u>. An Owner who is delinquent in the payment of any assessment or other charge imposed by the Association may be denied the right to vote in the Association's meetings and to use the Common Area (except the Roads) owned or operated by the Association under the terms of such rules as it shall adopt from time to time.

9.12 <u>Owner's Successor Liability</u>. Upon becoming an Owner of a Lot, such Owner shall be liable (jointly and severally with every other Owner or former Owner who is also liable for the particular amount) for all then unpaid fees, assessments or charges that have been imposed upon the Lot or its Owner by the Association, which shall continue to be enforceable by the Association by suit or by lien against the Lot pursuant to the Maryland Contract Lien Act, together with interest, late charges and costs of collection, including attorneys' fees; provided, however, that such successor liability shall not exist in the case of an Owner who purchases a Lot in the foreclosure of a mortgage or deed of trust that is accorded priority over the lien of the Association by the terms of this Declaration.

9.13 <u>Working Capital Contribution</u>. Upon the transfer of a Lot by Declarant, it shall become subject to an initial capital contribution of \$150 to the Association, which shall be entitled to collect the contribution and the costs of collection thereof by means of a lien established pursuant to the Maryland Contract Lien Act or by suit against the initial or subsequent Owners of the Lot. The Association may use the contribution for working capital or, if it shall so elect, to fund its reserves, if any.

9.14 A Special Assessment of \$250 per lot was approved by the Board of Director's on October 1, 1994 to cover the construction of a Fishing/Crabbing Pier and a Camera Monitor System. This was billed on January 1, 1995. For settlements that occur after this date, the amount will be paid to the Homeowner's Association upon settlement of the lot.

X. ANNEXATION OR EXPANSION

10.1 <u>Scope</u>. Declarant may, from time to time and in its sole discretion, annex to, or expand, the Development by adding any other real property described on the plat entitled "Assateague Pointe Resort Phase 1 And Other Lands" that is recorded among the Land Records of Worcester County, Maryland, in Plat Book R.H.O. No. 126, "Folio 31 <u>et seq</u>.

10.2 <u>Method</u>. Declarant shall effect any annexation or expansion by recording in the Land Records a Plat of the real property to be annexed and by declaring thereon or by Supplemental Declaration that the property is a part of the Development and is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the provisions of this Declaration. The provisions of this Declaration may be modified with respect to the annexed parcel by Supplemental Declaration by Declarant that is recorded prior to its conveyance of any portion of the annexed parcel.

10.3 <u>Content of Supplemental Declaration</u>. The Supplemental Declaration may:

(a) describe the real property being annexed and designate the permissible uses of the annexed parcel;

(b) set forth any new or modified restrictions or covenants which may be applicable to annexed parcel, including limited or restrictive uses of Common Areas; and

(c) contain such other matters as shall be deemed necessary or appropriate with respect to the annexed parcel.

10.4 <u>Effect</u>. Upon the recording of such Plat and Supplemental Declaration, if any, the annexed parcel shall become a part of the Development, and thereafter the term "Development" as used herein shall include the annexed parcel.

XI. REVISION OF PLANS

Notwithstanding the provisions and conditions herein contained, Declarant hereby reserves unto itself, its successors and assigns, the right to relocate, open, or close streets or Roads shown on the Plats, and to

revise, resubdivide and change the size, shape, dimensions and location of Lots in the Development; and upon such relocation, opening or closing of streets or revision, resubdivision or changing of size, shape, dimensions and locations of Lots, the covenants, conditions, restrictions and reservations hereby imposed shall be applicable to the resulting Lots in lieu of the Lots as originally shown on said Plat prior to such revision, relocation or change, provided, however, that no Lot sold prior to such revision, relocation or change shall be deprived of a portion of the street or streets on which it bounds nor of access to such Lot from the streets or Roads on the Development.

XII. <u>REMEDIES</u>

12.1 <u>Enforcement Action</u>. The Association and/or the Managing Agent, Declarant and each person to whose benefit this Declaration inures may proceed at law or in equity to prevent the occurrence or continuation of a violation of any provisions of this Declaration, or otherwise to enforce it, and any court of competent jurisdiction in such action may award the successful party reasonable expenses in prosecuting such action, including attorney's fees.

12.2 <u>Suspension of Rights</u>. The Board may suspend all voting rights, if any, all rights to use the Common Area (except the Roads) and all other rights or privileges of membership of any Owner for any period during which any assessment or charge by the Association or other obligation payable to it remains unpaid, or during the period of any continuing violation of the provisions of this Declaration by such Owner after the existence thereof has been declared by the Board upon reasonable notice mailed to the Owner.

12.3 <u>Entry and Access</u>. Declarant and authorized representatives of the Association, their successors and assigns, shall have an absolute right of entry and access upon any Lot or Common Area for the purpose of enforcing the provisions of this Declaration.

12.4 <u>General Provisions</u>. Remedies specified herein are cumulative and shall not preclude any other remedy at law or in equity. No delay or failure on the part of an aggrieved party to invoke an available remedy in respect of a violation of any provision of this Declaration shall be held to be a waiver by that party of any right available to him upon the recurrence or continuance of said violation or the occurrence of a different violation.

12.5 <u>Owner's Liability</u>. An owner shall be liable to the Association in the same amount and kind as the Owner's tenants, guests and invitees, and shall hold the Association harmless from and indemnify it against liability for or as a result of acts or conduct by such tenants, guests and invitees and all consequences thereof, including attorneys' fees or other costs reasonably incurred by the Association to investigate or defend claims of such liability.

12.6 <u>Safety and Security</u>. The Association shall not be or, by its conduct, become responsible for the safety or security of persons or property on the Lots or elsewhere in the Development or for police protection of such persons or property.

12.7 <u>Derivative Liability</u>. Except for the ordinary and reasonably foreseeable consequences of actions taken at its specific direction, the Association shall not be liable for the conduct of any person.

12.8 <u>Refusal Rights</u>. Neither Declarant nor the Association shall have any right of refusal regarding the sale or lease of a Lot.

12.9 <u>Assumption of Risk; No Liability</u>. Usage of the Common Area and all roads and other improvements or property that is owned or maintained by the Association shall be at the risk of the user, who shall have no claim against the Association or Declarant or right to indemnification by or recovery from them for or as a result of property damage, bodily injury or any other consequence of the condition of the Common Area or such roads, improvements or property (including the swimming pool, clubhouse and other facilities) or any defect or deficiency thereof or the manner in which the Association maintains or operates such facilities or supervises the usage thereof or activity thereon. Neither the Association nor the Declarant shall be liable for or as a result of any such property damage, bodily injury or other consequence, either directly or by reason of the subrogation of rights as a result of the payment of insurance proceeds to the injured party. There is no implied or other warranty by the Association or Declarant as to the suitability of these facilities or any other property for any particular purposes.

XIII. GRANTEE'S ACCEPTANCE

Each grantee or purchaser of any Lot shall, by acceptance of a deed conveying title thereto, whether from the Declarant or a subsequent Owner of such Lot, accept such deed or contract upon and subject to each and all of the provisions of this Declaration and to the jurisdiction, rights, powers privileges and immunities of Declarant and of the Association. By such acceptance such grantee or purchaser shall for himself, his heirs, devises, personal representatives, grantees, successors and assignees, lessees and/or lessors, covenant, consent and agree to and with the Declarant, the Association and the grantee or purchaser of each of the other Lots in the Development to keep, observe, comply with and perform the covenants, conditions and restrictions contained in this Declaration.

XIV. AMENDMENT

This Declaration may be amended by the affirmative vote of 2/3rds of the total number of votes held by all members of the Association entitled to vote, together with the affirmative vote of the Declarant if it alters or affects its rights, powers and privileges as the Declarant. An amendment shall not become effective until a document stating the amendment and also stating the details of its enactment has been recorded among the Land Records of Worcester County after having been executed by (a) members holding the requisite number votes to effect such amendment; or (b) by the Association, in which case such amendment shall have attached to it a copy of the resolution of the Board attesting to the affirmative action of the requisite number of members to effect such amendment, certified by the Secretary of the Association; provided, however, that the document, to be effective, must also be executed by the Declarant, if its vote is required for the amendment to be effective.

XV. ACCESS ROAD TO DEVELOPMENT

From its northwesterly terminus at Maryland Route 611, the private access road ("Assateague Way") running to the northwesterly boundary of the Development (Phase 1 and Outlots D and F) shall be subject to a perpetual, non-exclusive easement for pedestrian and vehicular ingress to and egress from the Development by the Owners and occupants of the Lots, the Association and their respective guests and invitees. The Association will be responsible for maintaining the paved surface of the access road and related improvements (which will be installed initially by Declarant) as well as the unimproved portion of the right-of-way in good condition. If the Association shall fail to do so, Declarant may perform the appropriate repair or other work and the Association shall be required to reimburse the Declarant for the reasonable cost of such work, for which it shall be liable to Declarant.

XVI. ASSIGNMENT OF DECLARANT'S RIGHTS

The rights, powers and privileges that are reserved or otherwise established for the Declarant in this Declaration may be transferred, completely or separately, to any other person(s) or entity(ies) by document recorded among the Land Records of Worcester County, Maryland

XVII. MISCELLANEOUS

17.1 <u>Severability</u>. Every provision of this Declaration is hereby declared to be independent of and severable from every other provision hereof. If any provision hereof shall be held by a court of competent jurisdiction to be invalid or unenforceable, all remaining provisions shall continue unimpaired and in full force and effect.

17.2 <u>Captions</u>. Paragraph captions in the Declaration are for convenience only and do not in any way limit or amplify the terms or provisions hereof.

17.3 <u>Jurisdiction; Venue</u>. At the trial or initial level, all litigation to construe or enforce the provisions of this Declaration shall occur in the state courts of Worcester County, Maryland. Each Owner and tenant of the Lots shall be deemed to have consented to the exercise of personal jurisdiction by such courts and to venue therein and to have irrevocably waived any right or privilege to initiate or prosecute such litigation in any other court.

17.4 Notices. Except as otherwise provided herein, notice may be given as follows:

(a) <u>To Owner</u>: by mailing it to the Owner's address on the records of the Association or, in the event that there is no such address, to the mailing address listed on the real estate tax rolls for the Owner's Lot. An Owner may establish or change his address on the records of the Association by actual delivery to it of a writing, signed by the Owner, requesting such action that specifies the desired address.

(b) <u>To the Association</u>: by mailing it to the Association at such address as it shall specify for such purpose in notice given to the Owners from time to time.

(c) <u>Time Given</u>: if notice is mailed to an Owner or the Association addressed as provided above, postage prepaid, it shall be deemed to be given on the second post office business day thereafter.

(d) <u>Actual Delivery</u>: in addition, notice may be given by actual delivery, in writing as follows: (i) to an Owner - by delivery (by mail or otherwise) to any other Owner of the same Lot (ii) to the Association - to any officer or director of the Association or its designated Manager, if any. Oral statements made to officers or directors of the Association shall not be deemed notice, and it shall not be chargeable with knowledge or notice of the substance of such oral statements.

(e) <u>Receipt of Payment</u>: notwithstanding the foregoing, a payment shall not be deemed to have been made until actually received by the party to be paid or delivered to its mailing address that is specified above.

17.5 <u>Grammar; Word Usage</u>. The use of gender, number and tense in the provisions of this Declaration is not intended to be exclusive except where the context clearly requires otherwise.

IN WITNESS WHEREOF, Declarant has executed this Declaration, to become effective upon its recordation among the Land Records of Worcester County, Maryland.

ATTEST:

ASSATEAGUE POINTE, INC.

/s/ G. Troy Purnell

Secretary

By: /s/ George A. Purnell George A. Purnell, President

STATE OF MARYLAND, COUNTY OF WORCESTER, TO WIT:

I HEREBY CERTIFY that on this <u>12th</u> day of <u>September</u>, 1990, before me, the subscriber, a Notary Public in and for the said County and State, personally appeared George A. Purnell, President of ASSATEAGUE POINTE, INC., a Maryland corporation, and on behalf of said corporation did acknowledge the foregoing instrument to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have affixed my hand and official seal,

<u>/s/ Scarlett E. Jones</u> Notary Public My Commission Expires: <u>6-1</u>, 19<u>93</u>.

Attachment: Table of Contents

AMENDMENT HISTORY:

<u>Recording Data</u> :	Document	Date	<u>Liber/folic</u>	2	
	Declaration 1st Amendment 2nd Amendment 3rd Amendment 4th Amendment	9/11/90 10/29/90 5/1/91 12/31/91	1689/307 1728/360		
<u>Effect</u> :		· · · · · · · · · · · · · · · · · · ·	- <u>Sections Aff</u>	ected	
	Document	Amended	_	<u>Repealed</u>	<u>Added</u>
	1st Amendment	3.1(b)		none	none
	2nd Amendment		4 and 5.4		none
	3rd Amendment			none	none
	4th Amendment				none
SUPPLEMENTAL DECL	ARATTONS:			alar ilah ang alah ang	
<u></u>	<u> </u>				
<u>No</u> .	<u>Adding</u>	<u>Date</u>	<u>Liber/Folio</u>		
First	Phase 2	12/12/91	1785/230		

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ASSATEAGUE POINTE RESORT

FIRST AMENDMENT

OF

DECLARATION OF RESTRICTIONS, COVENANTS, EASEMENTS, EQUITABLE SERVITUDES, CHARGES, ASSESSMENTS AND LIENS

THIS AMENDMENT, dated October 29 , 1990, by Assateague Pointe, Inc., a Maryland corporation, WITNESSETH THAT:

WHEREAS, Assateague Pointe, Inc., has executed, as its Declarant, the Declaration of Restriction, Covenants, Easements, Equitable Servitudes, Charges, Assessments and Liens (the "Declaration"), dated September 11, 1990, and recorded among the Land Records in Worcester = County, Maryland, in Liber R.H.O. No. 1678, Folio 47, which in Article XIV provides for angendment "by the affirmative vote of 2/3rds of the total number of votes held by all members F of the Association entitled to vote," and Assateague Pointe, Inc., by virtue of its ownership of Ite Assateague Pointe Resort (the "subdivision") holds more than 2/3rds of the total minumber-of votes held by all members of Assateague Pointe Homeowners Association, Inc., which is the entity referred to in the Declaration as "the Association"; and

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ADKINS, POTTS & SMETHURST

RETURN TO

3 WHEREAS, the Declaration, in Article III, Section 3.1(b), provides for seasonal occupancy a of the subdivision, by imposing the limitations upon occupancy of the lots that were prescribed by the Worcester County Zoning Code on the date of the Declaration; and TÖTL 9309CKEK

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WHEREAS, the County Commissioners of Worcester County, Maryland, have amended 10-31 P3:/ the regulations under the Zoning Code pertaining to the occupancy of the lots In the subdivision to Impose a different period in which occupancy of the lots is limited, and the pertinent provision of the Zoning Code states that a homeowners' association declaration shall include language providing such, or greater, limited occupancy;

NOW, THEREFORE, for the purpose of amending the Declaration so that it complies with the Zoning Code, as it has been amended, Assateague Pointe, Inc., by exercise of its voting power to amend the Declaration, hereby declares that Article III, Section 3.1(b) thereof is amended (effective upon the recordation of this Amendment) to read as follows:

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(b) <u>Seasonal Occupancy</u>. Lots shall be occupied only on a reasonal basis and shall not be occupied as a place of primary or permanent residence or domicile; students attending schools in Worcester County may not reside on the Lots during the school year. Between September 30th of each year and April 1st of the succeeding year, a Lot may not be occupied for more than 30 consecutive days or an aggregate of 60 days.

ASSATEAGUE POINTE RESORT Declaration - First Amendment

AS WITNESSETH the execution hereof by Assateague Pointe, Inc., the day and year first stated above.

Troy Purnell, Secretary STATE OF MARYLAND COUNTY OF WORCESTER

ASSATEAGUE POINTE, IN BY: George President

I HEREBY CERTIFY that on this An day of October, 1990, before me, the subscriber, a notary public of the State and County aforesaid, personally appeared George A. Purnell, known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he is the President of Assateague Pointe, Inc., a Maryland corporation, and that he, being authorized so to do, executed the same for the purposes therein contained by signing the name of the corporation by himself as its President.

IN WITNESS WHEREOF, I hereunto set my hand and notarial seal. Νηταρ My Commission Expires: 199.~ Notary Public ER CO. N ACKNOWLEDGMENT BY

ACKNOWLEDGMENT BY ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.

As the Secretary of Assateague Pointe Homeowners Association, inc., a Maryland membership corporation, I hereby certify that to my best knowledge, information and belief Assateague Pointe, Inc., a Maryland corporation, by reason of its ownership of lots in Assateague Pointe Resort, holds at least two-thirds (2/3rds) of the total number of votes held by all members of the Association entitled to vote.

Dated /O 1990 for Purnell, Secretary D:/RBT/REALEST/ASPR-COV. AMD - 10/25/90 The foregoing <u>Conindment</u> filed or record and is accordingly recorded among, be land record Worcestor County, Md. in Liber, R.H.O. No Clerk

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ASSATEAGUE POINTE RESORT

SECOND AMENDMENT

OF

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DECLARATION OF RESTRICTIONS, COVENANTS, EASEMENTS, EQUITABLE SERVITUDES, CHARGES, ASSESSMENTS AND LIENS

THIS AMENDMENT, dated // a. , 1991, by Assateague Pointe, Inc., a Maryland corporation, WITNESSETH, THAT:

WHEREAS, Assateague Pointe, Inc., has executed, as the Declarant, the Declaration of Restriction, Covenants, Easements, Equitable Servitudes, Charges, Assessments and Liens (the "Declaration"), dated September 11, 1990, and recorded among the Land Records ofWorcester County, Maryland, in Liber R.H.O. No. 1678, Folio 47, which in Article XIV provides for amendment "by the affirmative vote of 2/3rds of the total number of votes held by all members of the Association entitled to vote"; and

WHEREAS, Assateague Pointe, Inc., by virtue of its ownership of lots in the Assateague Pointe Resort (the "subdivision"), holds more than 2/3rds of the total number of votes held by all members of Assateague Pointe Homeowners Association, Inc., which is the entity referred to in the Declaration as "the Association"; and

WHEREAS, the Declaration, in Article III, Section 3.4, allows storage sheds not exceeding certain dimensions to be located upon lots in the subdivision and in Article III, Section 3.2(f) establishes setback requirements therefor; and

WHEREAS, Assateague Pointe, Inc. desires to correct an error in the original Declaration and to improve the aesthetics of the lots in the subdivision by amending the height limitations of storage sheds and the restriction on their placement on a lot.

NOW, THEREFORE, for the purpose of amending the Declaration as aforesaid, Assateague Pointe, Inc., by the exercise of its voting power to amend the Declaration, hereby declares that Article III, Sections 3.2(f) and 3.4 and Article V, Section 5.4, thereof are amended (effective upon the recordation of this Amendment) to read as follows:

(f) In the case of storage sheds the rear-yard setback shall be five (5) feet and the side-yard setback shall be zero (0) feet.

3.4 <u>Approval of Plans</u>. No Park Home, addition thereto or other improvements shall be placed or constructed on a Lot or thereafter altered or enlarged (including but not limited to changing its color), and the grade and topography of a Lot shall not be changed or altered in any manner without the prior written approval of the Committee. As a prerequisite of its consideration of a request for such approval, the Committee may require such plans and specifications and other information as may be reasonable. Generally, the Committee will not approve any storage shed that exceeds eight (8) feet by ten (10) feet in size and ten (10) feet in

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height located in the rear yard of a Lot. A building permit or zoning action required for the subject of the requested approval by the Committee shall not be pertinent to or necessary for its approval of the request, but such approval shall not operate to avoid the need for such building permit or zoning action, if any, that may be required. Reference is made to the provisions of this Declaration that more particularly describe the operation of the Committee and the approval of plans.

5.4 Use or Maintenance by Owners. The area of any Lot affected by the easements reserved herein shall be maintained by the Owner, but no structure (other than a storage shed), plantings or other material shall be placed or permitted to remain thereon or other activities undertaken thereon which may damage or interfere with the use of the easements for the purpose herein set forth. Improvements within such areas shall be maintained by the Owner except those for which the Association or a utility company is responsible.

AS WITNESSETH the execution hereof by Assateague Pointe, Inc., the day and year first stated above.

vitness:	ASSATEAGUE POINTE, INC.
R.S. Smethurst, Jr., Secretary	BY: George A. Burnell, President
STATE OF MARYLAND	E C

I HEREBY CERTIFY that on this $\frac{1}{2}$ day of May, 1991, before me, the subscriber, a notary public of the State and County aforesaid, personally appeared George A. Purnell, known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he is the President of Assateague Pointe, Inc., a Maryland corporation, and that he, being authorized so to do, executed the same for the purposes therein contained by signing the name of the corporation by himself as its President:

IN WITNESS WHEREOF, I hereunto set my hand and notarial My Commission Expires: $10 - 1 - 1996$, 1991 Soa RSet	A CON		
ACKNOWLEDGMENT BY		CO.M.	ſ

ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.

As the Secretary of Assateague Pointe Homeowners Association, Inc., a Maryland membership corporation, I hereby certify that to my best knowledge, information and belief Assateague Pointe, Inc., a Maryland corporation, by reason of its ownership of lots in Assateague Pointe Resort, holds at least two-thirds (2/3rds) of the total number of votes held by all members of the Association entitled to vote.

Dated 1991 Troy Purnell, Secretary D:/RBT/REALEST/ASPR-COV.AM2 - 05/01/91 e: \5-ZERO\ASPR-COV. AH2 113 The foregoing filed record and is accordingly recorded among the land records o rcester County, Md. in Liber, R.H.O. No. ___ Ltolios. Richard H. Dutton Clerk

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ASSATEAGUE POINTE RESORT

THIRD AMENDMENT

OF

DECLARATION OF RESTRICTIONS, COVENANTS, EASEMENTS, EQUITABLE SERVITUDES, CHARGES, ASSESSMENTS AND LIENS

THIS AMENDMENT, dated <u>December 31</u>, 1991, by Assateague Pointe, Inc., a Maryland corporation, WITNESSETH THAT:

WHEREAS, Assateague Pointe, Inc., has executed, as the Declarant, the Declaration of Restriction, Covenants, Easements, Equitable Servitudes, Charges, Assessments and Liens (the "Declaration"), dated September 11, 1990, and recorded among the Land Records of Worcester County, Maryland, in Liber R.H.O. No. 1678, Folio 47, which in Article XIV provides for amendment "by the affirmative vote of 2/3rds of the total number of votes held by all members of the Association entitled to vote"; and

WHEREAS, Assateague Pointe, Inc., by virtue of its ownership of lots in the Assateague Pointe Resort (the "subdivision"), holds more than 2/3rds of the total number of votes held by all members of Assateague Pointe Homeowners Association, Inc., which is the entity referred to in the Declaration as "the Association"; and

WHEREAS, the Declaration, in Article III, Section 3.4, allows storage sheds not exceeding certain dimensions to be located upon lots in the subdivision and in Article III, Section 3.2 provides for variance from the setback requirements stated therein; and

WHEREAS, Assateague Pointe, Inc. desires to modify the instances in which such variance may be made in the case of the placement of storage sheds on certain lots.

NOW, THEREFORE, for the purpose of amending the Declaration as aforesaid, Assateague Pointe, Inc., by the exercise of its voting power to amend the Declaration, hereby declares that Article III, Sections 3.2, following subpart (it), is amended (effective upon the recordation of this Amendment) to read as follows: The Committee may, for good cause shown, grant a variance from the rearpard setback or drainage easement setback of not more than five (5) feet

The Committee may, for good cause shown, grant a variance from the rearyard setback or drainage easement setback of not more than five (5) feet in any of the following instances: (i) to eliminate any undue hardship on 1 rep irregularly shaped lot, or (ii) to allow flexibility in the use of a bot that is contiguous to an Outlot established by the Plat. 102000EK 1 102000EK 1

AS WITNESS the execution hereof by Assateague Pointe, Inc., the day and year first stated above.

Witness unn R. Smethurst, Jr., Secretary

POTTS & SMETHURST

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RETURN TO

ASSATEAGUE POINTE, INC BY: George President

STATE OF MARYLAND COUNTY OF WORCESTER- W COM CO

December

Troy Purnell, Secretary

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I HEREBY CERTIFY that on this 3/57 day of **May**, 1991, before me, the subscriber, a notary public of the State and County aforesaid, personally appeared George A. Purnell, known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he is the President of Assateague Pointe, Inc., a Maryland corporation, and that he, being authorized so to do, executed the same for the purposes therein contained by signing the name of the corporation by bimsolf as its President contained by signing the name of the corporation by himself as its President.

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

Notary Public My Commission Expires: ___ クーノー タう , 1991 **UTAR** ACKNOWLEDGMENT BY ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC. As the Secretary of Assateague Pointe Homeowners Association, Inc., a

Maryland membership corporation, I hereby certify that to my best knowledge, information and belief Assateague Pointe, Inc., a Maryland corporation, by reason of its ownership of lots in Assateague Pointe Resort, holds at least two-thirds (2/3rds) of the total number of votes held by all members of the Association entitled to vote.

Dated 12-31 , 1991

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2 The foregoing <u>HNENDMEN</u> filed for record and is accordingly recorded among the land records of Worcester County, Md. in Liber, R.H.O. No. 190 folios 1134 /14 Richard H. Dutton Clerk

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ASSATEAGUE POINTE RESORT

FOURTH AMENDMENT

OF

DECLARATION OF RESTRICTIONS, COVENANTS, EASEMENTS, EQUITABLE SERVITUDES, CHARGES, ASSESSMENTS AND LIENS

THIS AMENDMENT, dated ANUARY 20, 1992, by Assateague Pointe, Inc., a Maryland corporation, WITNESSETH THAT:

WHEREAS, Assateague Pointe, Inc., has executed, as the Declarant, the Declaration of Restriction, Covenants, Easements, Equitable Servitudes, Charges, Assessments and Liens (the "Declaration"), dated September 11, 1990, and recorded among the Land Records of Worcester County, Maryland, in Liber R.H.O. No. 1678, Folio 47, which in Article XIV provides for amendment "by the affirmative vote of 2/3rds of the total number of votes held by all members of the Association entitled to vote"; and

WHEREAS, Assateague Pointe, Inc., by virtue of its ownership of lots in the Assateague Pointe Resort (the "subdivision"), holds more than 2/3rds of the total number of votes held by all members of Assateague Pointe Homeowners Association, Inc., which is the entity referred to in the Declaration as "the Association"; and

WHEREAS, the Declaration, in Article III, Section 3.1, restricts the lots to use (for residential purposes) by means of a Park Home, which is defined in Article I, Section 1.15, and such other improvements as may be permitted by or pursuant to the Declaration, in Article III, Section 3.2(d), requires a rear yard of ten (10) feet, and in Article III, Section 3.5, provides a normal maximum period for construction or demolition activity of three (3) months; and

WHEREAS, Assateague Pointe, Inc. desires to modify the Declaration to expressly allow for use of the lots by means of improvements that are generally known as a "manufactured home," if such improvements shall hereafter become permissible under the Worcester County Zoning Code, but not otherwise, and to reduce both the required rear yard and the normal maximum period for construction or demolition activity;

NOW, THEREFORE, for the purpose of amending the Declaration as aforesid, 15. Assateague Pointe, Inc., by the exercise of its voting power to amend? Declaration, hereby declares that Article I, Section 1.15, and Article 1114, 1-31P12: Sections 3.1(a) and 3.2(d) are amended (effective upon the recordation of this Amendment) to read as follows:

1.15 "<u>Permitted Home</u>" means and includes, but is limited to:

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(a) <u>Manufactured Home</u> - a structure transportable in one or more sections, built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities and which meets all of the following criteria when set up for occupancy: (i) is no more than forty (40) feet in body length or twenty-four (24) feet in body width, (ii) is no higher than seventeen (17) feet, and (iii) is no greater than seven hundred fifty (750) square feet. 13.(

(b) <u>Park Home</u> - a vehicular unit capable of obtaining a state motor vehicle title and which meets all of the following criteria: (ii) built on a single chassis, permanently mounted on wheels, designed for human occupancy and for connection to utilities necessary for installed fixtures and appliances, and (ii) has a width of at least ten (10) feet and does not exceed a total of four hundred (400) square feet when set up for occupancy.

3.1 Use and Occupancy Restrictions.

(a) <u>Use</u>. A Lot that has been sold by Declarant may be improved and used for residential purposes only by means of a Permitted Home and such addition thereto and other improvements as may be permitted by or pursuant to this Declaration. Tents may not be placed on Lots under any circumstances.

3.2 Setback Requirements. . . .

(d) A rear yard of eight (8) feet, notwithstanding that the Plat and this Declaration provide for a greater (10-foot) utility/drainage easement parallel to the rear lot line.

AND, in order to conform Article I, Section 1.9, Article III, Sections 3.2, 3.3, 3.4, and 3.8(a), (b), (e) and (f), of the Declaration to the foregoing amendment, they are amended by changing the words "Park Home," wherever they appear therein, to "Permitted Home."

AND, Article III, Section 3.5, is amended by changing the words "three (3) months" to "two (2) months."

AS WITNESS the execution hereof by Assateague Pointe, Inc., the day and year first stated above.

Witness:	ASSATEAGUE POINTE, INC,
1 Khulluur	BY:(SEAL)
R. S. Smethurst, Jr., Secretary	George A. Thinhell', President

STATE OF MARYLAND, COUNTY OF WORCESTER

I HEREBY CERTIFY that on this do day of day of 1992, before me, the subscriber, a notary public of the State and dounty aforesaid, personally appeared George A. Purnell, known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he is the President of Assateague Pointe, Inc., a Maryland corporation, and that he, being authorized so to do, executed the same for the purposes therein contained by signing the name of the corporation by himself as its President. IN WITNESS WHEREOF, I hereunto set my hand and notarial seal.

S **MATARY** 2 Z Notary Public 1993 887 PUBLIC My Commission Expires: line 2 ER CO. MP

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ACKNOWLEDGMENT BY ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.

As the Secretary of Assateague Pointe Homeowners Association, Inc., a Maryland membership corporation, I hereby certify that to my best knowledge, information and belief Assateague Pointe, Inc., a Maryland corporation, by reason of its ownership of lots in Assateague Pointe Resort, holds at least two-thirds (2/3rds) of the total number of votes held by all members of the Association entitled to vote.

JANUAN 20, 1993 Dated 🔪

D:/RBT/REALEST/ASPR-COV.AM4 -- 1/9/92

Tyroy Purnell, Secretary

Jan 31St 19 96 The foregoing AMENDMENT filed Richard H. Dutton _ Clerk

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ASSATEAGUE POINTE RESORT

FIRST SUPPLEMENTAL

DECLARATION OF RESTRICTIONS, COVENANTS, EASEMENTS, <u>EQUITABLE SERVITUDES, CHARGES, ASSESSMENTS AND LIENS</u> (adding Phase 2 and Outlot "I")

December 12 , 1991 Dated:

THIS SUPPLEMENTAL DECLARATION, by ASSATEAGUE POINTE, INC. a Maryland corporation, WITNESSETH THAT:

WHEREAS, Assateague Pointe, Inc., is the owner of certain real property located southeasterly of Maryland Route 611, in the Tenth Election District, Worcester County, Maryland, that includes certain land that has been subdivided in part as Phase 1 of "Assateague Pointe Resort" ("Resort") by the plat entitled "Assateague Pointe Resort Phase 1 and Other Lands" that is dated June 20, 1990 and recorded among the Land Records of Worcester County, Maryland, in Plat Book R.H.O. No. 126, Folio 31, et seq.; and

WHEREAS, by its Declaration dated September 11, 1990, and recorded among the Land Records of Worcester County, Maryland, in Liber R.H.O. No. 1678, Folio 47 ("Declaration") Assateague Pointe, Inc., has imposed restrictions, covenants, easements, equitable servitudes, charges, assessments and liens as a general plan for the development and benefit of the Resort and the mutual benefit of the owners, present and future, of lots therein, and to reserve or otherwise establish certain rights, powers and privileges for itself and its successors and assigns thereof; and

WHEREAS, Assateague Pointe, Inc., desires to expand the Resort, by exercise of its power to do so pursuant to Article X of the Declaration, to include the land that was designated as Phase 4 (not as Phase 2) on the initial sublivision plat (Plat Book R.H.O. No. 126, Folio 31 <u>et seq</u>.) and has caused the plat identified below to be recorded among the aforesaid Land Records;

ADKINS, POTTS & SMETHURST

NOW, THEREFORE, Assateague Pointe, Inc., does hereby submit and subject to this Declaration, all of the Lots, Common Area and private roads shown as "Phase 2" and as Outlot "I" on the plat entitled "Assateague Pointe Resort Phase 2" that is dated September 9, 1991, and recorded among the Land Records of Worcester County, Maryland, in Plat Book R.H.O. No. _______, Folio ______, et seq., and declare that such land is a part of the Development and is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the provisions of the Declaration, as it has been or may hereafter be amended.

IN WITNESS WHEREOF, Declarant has executed this Supplemental Declaration, to become effective upon its recordation among the Land Records of Worcester County, Maryland.

REC FEE SR CHG ATTEST ASSATEAGUE POINTE, TN TOTL 0867CKEK FILED 84 81791 12-12 PI ulu By: 2 309 Raymon Smeth/rst, President S. Sect A Jr., irnelü. RIC ARD FLOUTTEN GLN. OT. CT. WOR. CO.

ASSATEAGUE POINTE RESORT First Supplemental Declaration (adding Phase 2)

STATE OF MARYLAND, COUNTY OF WORCESTER, TO WIT:

I HEREBY CERTIFY that on this $\underline{12^{\mu}}$ day of $\underline{\textit{December}}$, 1990, before me, the subscriber, a Notary Public in and for the said County and State, personally appeared George A. Purnell, who, after being sworn, stated and affirmed that he is the President of ASSATEAGUE POINTE, INC., a Maryland corporation, and on behalf of said corporation did acknowledge the foregoing instrument to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have affixed my hand and officiants NOTALY May 1974. My Commission Expires:

10/21/91 - d:\rbt\realest\ASPR-SUP.DEC

1991 Dec.12 The foregoing Declaration of Restrictions for record and is accordingly recorded among the land records of filed Worcester County, Md. in Liber, R.H.O. No. 1285 folios 230 4 231 ichal H. Dutter Clerk

ASSATEAGUE POINTE RESORT

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SECOND SUPPLEMENTAL

DECLARATION OF RESTRICTIONS, COVENANTS, EASEMENTS, EQUITABLE SERVITUDES, CHARGES, ASSESSMENTS AND LIENS (adding Phases 3 & 4 and Outlots 1 & J)

Dated: May 3, 1993

THIS SUPPLEMENTAL DECLARATION, by ASSATEAGUE POINTE, INC. a Maryland corporation, WITNESSETH THAT:

WHEREAS, Assateague Pointe, Inc., is the owner of certain real property located southeasterly of Maryland Route 611, in the Tenth Election District, Worcester County, Maryland, that includes certain land that has been subdivided in part as Phase 1 of "Assateague Pointe Resort" ("Resort") by the plat entitled "Assateague Pointe Resort Phase 1 and Other Lands" that is dated June 20, 1990 and recorded among the Land Records of Worcester County, Maryland, in Plat Book R.H.O. No. 126, Folio 31, et seq. and as Phase 2 of the Resort by the plat entitled "Assateague Pointe Resort Phase 2" that is dated September 9, 1991, and recorded among the Land Records of Worcester County, Maryland, in Plat Book R.H.O. No. 131, Folio 48, et seq.; and

WHEREAS, by its Declaration dated September 11, 1990, and recorded among the Land Records of Worcester County, Maryland, in Liber R.H.O. No. 1678, Folio 47 ("Declaration") Assateague Pointe, Inc., has imposed restrictions, covenants, easements, equitable servitudes, charges, assessments and liens as a general plan for the development and benefit of the Resort and the mutual benefit of the owners, present and future, of lots therein, and to reserve or otherwise establish certain rights, powers and privileges for itself and its successors and assigns thereof, the Declaration having been amended thereafter by First Supplemental Declaration (adding Phase 2) dated December 12, 1991, and recorded among the Land Records of Worcester County, Maryland in Liber R.H.O. No. 37(5) Folio 230; and

WHERENS, Assateague Pointe, Inc., desires to expand the Resort, by exampline 5-12 for of its power to do so pursuant to Article X of the Declaration, to include the land that was designated as Phase 3 and as Phase 2 (not as Phase 4) on the initial subdivision plat (Plat Book R.H.O. No. 126, Folio 31 et seq.) and has caused the plats identified below to be recorded among the aforesaid Land Records;

NOW, THEREFORE, Assateague Pointe, Inc., does hereby submit and subject to this Declaration, all of the Lots, Common Area and private roads shown as Phase 3 and as Outlots I & J on the plat entitled "Assateague Pointe Resort Phase 3" that is dated August 25, 1992, and recorded among the Land Records of Worcester County, Maryland, in Plat Book R.H.O. No. 135, Folio 47, et seq., and as "Phase 4" on the plat entitled "Assateague Point Resort Phase 4" that is dated August 26, 1992, and recorded among said Land Records in Plat Book R.H.O. No. 135, Folio 50, et seq., and declare that such land is a part of the Development and is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the provisions of the Declaration, as it has been or may hereafter be amended.

IN WITNESS WHEREOF, Declarant has executed this Supplemental Declaration, to become effective upon its recordation among the Land Records of Worcester County, Maryland.

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RICHARD R. CUTTER

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· · ·	ASSATEAGUE POINTE RESORT
	Second Supplemental Declaration
	(adding Phases 3 & 4)
ATPEST:)	ASSATEAGUE POINTE, INC.
1 asperious K Twellend	By: Town
Raymond S. Smethurst, Jr., Sectly.	George A. Purnell, President
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STATE OF MARYLAND, COUNTY OF WORCESTER, TO WIT:

I HEREBY CERTIFY that on this 5^{4} day of γRay , 1993, before me, the subscriber, a Notary Public in and for the said County and State, personally appeared George A. Purnell, who, after being sworn, stated and affirmed that he is the President of ASSATEAGUE POINTE, INC., a Maryland corporation, and on behalf of said corporation did acknowledge the foregoing instrument to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have affixed my hand and official seal,

(U. 11/2) Schle Notary Public RUTAR ___, 19<u>93</u>. 1011 PHELIC My Commission Expires: CO

4/30/93 - c:\rbt\realest\assateag\ASPR-SUP.DEC

The toregoing Supplemental Deckention for record and is accordingly recorded among the land records of Worcester County, Md. In Liber, R.H.O. No. 1930 folios 244 15 A. Dutter

Clerk

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ASSATEAGUE POINTE SUBDIVISION

DECLARATION OF SUBDIVISION COVENANTS AND RESTRICTIONS (for benefit of the Snug Harbor Subdivision)

THIS DECLARATION, dated this 20^{th} day of December, 1989, by Assateague Pointe, Inc., a Maryland corporation.

WHEREAS, Assateague Pointe, Inc. (hereinafter "Assateague Pointe"), a Maryland corporation, is the owner of certain land situated on the easterly side of Maryland Route 611 (Stephen Decatur Memorial Highway) and on the westerly side of Synepuxent Bay in the Tenth Election District of Worcester County, Maryland, that is acquired by the following two deeds: (i) deed from Robert W.B. Powell, <u>et</u>. <u>al</u>., dated December 23, 1988 and recorded among the Land Records of Worcester County in Liber R.H.O. No. 1513, Folio 130; and (ii) deed from Eugene R. Parker, Jr., <u>et al</u>., dated December 28, 1988 and recorded among the Land Records of Worcester County in Liber R.H.O. No. 1513, Folio 142; and

WHEREAS, part of the aforesaid land is being developed as the Assateague Pointe Subdivision, which will consist of subdivecter 34 Ton 3

WHEREAS, the Snug Harbor Civic Association, Inc. (hereinafter the "Association"), a Maryland corporation, is an organization representing the owners of lots in Snug Harbor Subdivision shown

ASSATEAGUE POINTE RESORT

MHAA Information

Attachment C

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on the plat entitled "Snug Harbor Plat Number One (Amended and with additions)", prepared by Wm. D. Pitts, that is dated September 24, 1953, and recorded among the Land Records of Worcester County in Plat Book C.W.N. No. 1, Folio 99 (hereinafter the "Snug Harbor Plat") as said plat may now or hereinafter be amended; and

WHEREAS, the following lots in Snug Harbor Subdivision which are adjacent to Meadow Drive (hereinafter the "Lots") are owned by the following persons (hereinafter jointly and severally the "Lot Owners"):

Dead Deferona

Lot No.	Lot Owners	Deed Reference Liber/Folio
1	Jessie D. Irwing, Thomas Irwing and John Palamarchuk	WCL 1213/547
2	Jessie D. Irwing, Thomas Irwing and John Palamarchuk	WCL 1213/540
3	Robert P and Eleanor L. Vanderhook	WCL 1249/483
4	Robert P. and Eleanor L. Vanderhook	WCL 1063/44
5	Melvin Ralph Horm	FWH 590/39
7	Robert H. and Ruth Brenna	WCL 1069/520
8	Kathryn S. Moore	FWH 450/660 FWH 450/662
9	Charles C., Jr. and Betty J. Nichols	FWH 583/420
10	Alexander, Jr. and Caroline Kathryn MacNutt	FWH 481/647
11	Theodore B. and Bessie K. Merritt	FWH 124/464- FWH 150/524

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•	Lot No.	Lot Owners	Deed Reference Liber/Folio	
	12	Joseph L. Ward	WCL 1160/187	1. 1. 1. <u>1.</u>
	13	William T. Hopkins	EWR 70/333	• • • • •
•	16	Marian E. Whittaku, James E. Whittaku, Robert E. Whittaku and Jay W. Whittaku	FWH 207/444	
	17	Marian E. Whittaku, James E. Whittaku, Robert E. Whittaku and Jay W. Whittaku	FWH 149/224	
۰,	18	Leonard J. Popa, Sr.	RHO 1503/464	
	19	Leonard J. Popa, Sr.	WCL 1230/205	
	20	J. Bradley and Susan E. Jones	WCL 1124/17	-
	21	Ruth B. Shields	FWH 441/88	
	22	Alexander and Carolyne Kathryn MacNutt	RHO 1444/588	
	23	Alexander and Carolyne Kathryn MacNutt	RHO 1444/588	
	24	Alexander and Caroline Kathryn MacNutt	RHO 1444/588	
	25	Andus H. and Marion E. Jacobsen	FWH 237/655	
	26	Biaggio J. and Carole W. Parma	FWH 715/317	
	27	Biaggio J. and Carole W. Parma	FWH 715/31?	
	29	Virgil L. and Freda V. Kilgore	EWR 67/153	
	30	Raymond D. and Jane E. Lehr	FWH 655/431	
	31	Raymond D. and Jane E. Lehr	FWH 782/253	•
	32	William J. and Dorothy M. Svirbely	FWH 181/535	
	34	James E., Sr. and Elizabeth J. Haney	WCL 1031/511	
	35	Jeanette and Isaac Leon Massey	WCL 1156/286	
	36	Pauline E. Papavasiliou	FWH 619/555	

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Lot No.	Lot Owners	Deed Reference Liber/Folio
37	Nancy Joan Rođeheavu	FWH 663/205
39	Elva Coffin	EWR 78/118
40	Joseph R. and Kathryn J. Tydings	WCL 1028/203
41	Joseph R. and Kathryn J. Tydings	WCL 1028/203
42	Philip L. and Grace I. Myers (part of Lot 41)	EWR 74/485
43	Phillip L. and Grace I. Myers	EWR 74/489

WHEREAS, Assateague Pointe has applied to various regulatory agencies for permits to construct and maintain boat slips and boat launching facilities as part of Assateague Pointe Subdivision, the initial size of which concerned the Association and various Lot Owners who are members of the Association; and

WHEREAS, in consideration of forbearance by the Association and the Lot Owners from protesting and opposing the boat slips and boat launching facilities as hereinafter described and in further consideration of the support and consent by the Association to the boat slips and boat launching facilities as hereinafter described, and upon the terms and conditions hereinafter set forth, Assateague Pointe has agreed to establish certain covenants and easements upon the aforesaid land of Assateague Pointe or certain portions thereof as provided in this Declaration, and upon the title to such land or any lot or other portion thereof in the hands of Assateague Point, its transferees, successors or assigns, that shall touch, concern and run with such land or portion thereof and its title,

for the benefit of the Association, and the Lots in Snug Harbor Subdivision which are adjacent to Meadow Drive, and the owners of the Lots, their heirs, successors and assigns.

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LIBER 1614 PAGE 5

NOW, THEREFORE, Assateague Pointe does hereby make and declare this Declaration of Subdivision Covenants and Restrictions as follows:

I. <u>Covenants and Restrictions</u>. The Assateague Pointe Subdivision shall be subject to the following covenants and restrictions for the benefit of the Association, the Lots, and the Lot Owners:

A. There shall be a maximum of one hundred and forty (140) boat slips constructed or maintained at any one time. No such slip or boat-launching facility shall be located less than 1100 feet from Meadow Drive.

B. Usage of any slip or boat-launching facility shall be limited to owners and other residents of lots within the Assateague Pointe Subdivision.

C. The land within Assateague Pointe Subdivision, extending a distance of three hundred (300) feet southerly from the southerly side of Meadow Drive as it is located on the Snug Harbor Plat, and also extending from the waters of Synepuxent Bay, on the East, to a point three hundred (300) feet westerly of a point on the southerly line of Meadow Drive representing the point of intersection with a perpendicular projection of the westerly

LIBER 1614 PAGE 6

line of First Street, as it is located on the Snug Harbor Plat -- hereinafter called the "Buffer Area" -- shall be planted on or before December 31, 1990 and thereafter maintained in accordance with the requirements of the Worcester County Planning & Zoning Commission, extant as of the date of this Declaration, in order to afford visual screening and noise abatement to the Lots and Lot Owners from the activities at the Assateague Pointe Subdivision. Thereafter, the Buffer Area shall be allowed to naturally vegetate and become a fully natural barrier and shall not be used or developed except for stormwater management ponds and ditches. Except for reasonable access for construction, utilization, reconstruction, repair and maintenance of the stormwater management ponds and ditches and such other improvements permitted by or in accordance with this Declaration, no roads or streets or other means of ingress or egress by foot or vehicle shall be placed or located in or across the Buffer Area. Assateague Pointe shall plant and maintain trees (either Leland Cypress, White Pine, Dedora Cedar, or a mixture thereof) on the slope of the North-facing berm of all stormwater management ponds within the Buffer Area.

II. <u>Enforcement</u>. The covenants and restrictions imposed by this Declaration shall be enforceable by the Association and/or, the Lot Owners, and their heirs, successors and assigns, which right of enforcement shall run with the ownership of the Lots.

LIBER LULY PADE

III. <u>Amendment</u>. This Declaration may be amended with the consent of the Association and by the Lot Owners then of record by the recordation of an amendatory document among the aforesaid Land Records that is signed by the Association to express its consent, by the owners of the Lots, and by Assateague Pointe to express its consent. For this purpose, consent of each corporation shall be deemed to mean a resolution approved by a simple majority vote of the board of directors of each corporation.

IV. <u>Successors</u>. This Declaration shall be binding upon, and inure to the benefit of, and be enforceable by, the respective heirs, administrators, personal representatives, successors and assigns of the parties hereto. Furthermore, the rights and obligations of Assateague Pointe with respect to the use and maintenance of the Buffer Area shall inure to and become the responsibility of any successor owner of the common areas in Assateague Pointe Subdivision, and upon the affirmative assumption by any such successor owner of the obligations imposed hereby, Assateague Pointe shall be relieved of any further responsibility with respect hereto.

AS WITNESS the execution hereof by Assateague Pointe, Inc., by its duly authorized officer.

LIBER 1614 PAGE ASSATEAGUE/901NTE, INC. ATTES Bv: *ks s 11*0 (SEAL) Raymond SA Troy Purnell, Smethurst, Jr., Sedretar Vice President STATE OF MARYLAND WORCESTER COUNTY

I HEREBY CERTIFY that on this $\underbrace{\bigcup 9}_{\text{the}}^{\text{the}}$ day of December, 1989, before me, the subscriber, a notary public of the State and County aforesaid, personally appeared G. Troy Purnell, known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he is the Vice President of Assateague Pointe, Inc., a body corporate, and that he, being authorized so to do, executed the same for the purposes therein contained by signing the name of the corporation by himself as Vice President.

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

Macy B. Vouder Notary Public NOTARY PUBLIC 2169

My Commission Expires: 7/1/90

RETURN TO ADKINS, POTTS & SMETHURST

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RSS:bh 12/27/89 DOCS:API.DEC

The foregoingC lin d l for record and is accordingly recorded among the Worcester County, Wild, in Liber, R.H.O. No. ______ land records folios. Richard H. D - Clerk 🐳

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SHARED FACILITIES'AGREEMENT (Assateague Pointe Resort)

THIS SHARED FACILITIES AGREEMENT, made this <u>26</u> day of <u>Jone</u>, 1990, by and between ASSATEAGUE POINTE, INC., a Maryland corporation (herein the "Developer"), and the WORCESTER COUNTY SANITARY DISTRICT, a Maryland body politic and corporate (herein the "District"), who desire that this Agreement shall supersede their earlier Shared Facilities Agreement, dated December 19, 1989, which has been recorded among the Land Records of Worcester County, Maryland, in Liber R.H.O. No. 1614, Page 514.</u>

WHEREAS, the Developer is the owner of certain land located on the easterly side of State Route 611 in the Tenth Election District of Worcester County, Maryland, herein called "the Property", that is more particularly described on the plat entitled #Plat of Survey Showing Lands of Assateague Pointe, Inc." prepared 40.0 50 pt St. E. Bunting Surveys, Inc., dated January 10, 1990, 012Hd 4-774105 proceed among the Land Records of Worcester County, Maryland in Plat Book R.H.O. No. 125, Page 3, which it is developing in part in as a campground subdivision to be known as "Assateague Pointe Resort", to be served by a central, on-site, water-treatment and distribution system and a central, on-site, sewage-collection, treatment and disposal system (herein collectively the "Systems") that will be constructed by the Developer; and

WHEREAS, the Developer intends to transfer the Systems to an entity that will be established as the homeowners' association for

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Assateague Pointe Resort (as a non-profit corporation whose members are the owners of lots in Assateague Pointe Resort) that will assume and perform the obligations and liabilities of the Developer under this Agreement and operate and maintain the Systems as herein agreed by the Developer until accepted by and transferred to the District; and

WHEREAS, the District is the controlling authority over shared water and sewerage facilities in Worcester County (except those located within the corporate limits of municipalities); and

WHEREAS, the Worcester County Shared Facilities Law (Title 5, Subtitle 1, of the Public Works Article of the Worcester County Code) requires that a community shared facility be established as a "service area" within the District, and on September 13, 1988, the Worcester County Commissioners, pursuant to the authority bestowed upon them by § 9-648 of the Environment Article of the Annotated Code of Maryland, approved the creation of the "Powell Tract Service Area" (herein the "Service Area") within the Worcester County Sanitary District; and

WHEREAS, it was a condition of approval that the Developer fully construct and implement, at its sole expense, the aforesaid Systems pursuant to the permits that have been granted and issued by the Maryland Department of the Environment; and

WHEREAS, such construction is bonded by Developer by a Water/Sewer Bond dated May 18, 1990; and

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WHEREAS, it was also a condition of approval that the implementation, operation and continuous preventive and corrective maintenance of the Systems be conducted under the general supervision and guidance of the District at the expense of the Developer and/or the ultimate users of the Systems pursuant to the terms of an agreement by and between the Developer and the District, who desire, by this document, to effect and state such agreement.

NOW, THEREFORE, in consideration of the premises, the mutual benefits to be derived hereunder, and as required by the rules and regulations promulgated by the Maryland Department of the Environment (COMAR 26.04.05) and by Ordinance No. 87-1 of the Worcester County Commissioners, the parties hereto, for themselves and their successors and assigns, do hereby covenant and agree as follows:

1. Proper construction, maintenance and operation of the Systems located within the Service Area is essential to the health, safety and welfare of the general population living in the general area and also to the owners and users of property located in the Service Area.

2. The permits granted and issued by the Maryland Department of the Environment authorize the Developer to provide

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sewerage service (within the permit limitations) to the lots and facilities of the campground subdivision, as well as to the other areas of the Property. Phase I of such development shall contain 201 campground lots; the Developer may, at its option and up to the effluent limitations of its permits, add additional phases of development to said subdivision, a marina or other recreational facilities, and development of its commercial parcels. Any such additional development shall not be connected to or served by the Systems unless constructed in accordance with the approved plans and specifications for the Systems or any approved amendment thereto. The parties hereto acknowledge and agree that they are relying on the future issuance of permits and amendments to or modifications of permits issued by the Maryland Department of the Environment with respect to the construction, expansion and proper operation of the Systems, and will take all reasonable actions to comply with the requirements, if any, of the Maryland Public Service Commission in regard to the Systems.

3. The Developer shall be responsible for the proper construction, maintenance and operation of the Systems in accordance with the requirements of the District until such time as the Systems are conveyed and transferred to the District as hereinafter provided.

a. The Developer does hereby covenant and agree with the District (for the benefit of the District and the County

Commissioners of Worcester County) to leave in place, upon completion of the water and sewerage facilities to the satisfaction of the District, five percent (5%) of its Water/Sewer Bond dated May 18, 1990 (or provide a replacement bond satisfactory to the District in the same amount) until the Systems are operating within design parameters, meet the NPDES permit criteria, and have been accepted by and conveyed or transferred to the District.

b. The Developer shall engage a Systems' operator-/manager, together with such assistants as may be required, to perform the duties set forth in this paragraph. The Systems' operator/manager shall be licensed as such by the Maryland Department of the Environment.

c. The District will provide such supervision of the responsibilities undertaken by the Developer as the District determines to be reasonably necessary. Further, the District will conduct periodic inspections to determine that competent and professional operation and maintenance of the Systems are being maintained.

d. Samples for the testing of the water and sewage pursuant to the terms and conditions of the permits shall be taken by the operator/manager of the Systems or under his supervision, and the testing of such samples shall be by a laboratory certified by the Maryland Department of the Environment. The District may

perform such testing itself to confirm the adequacy of the laboratory testing. Such additional testing shall not be performed by the District more frequently than guarterly, except when the District has reasonable cause to believe that the Developer's laboratory testing is inadequate or inaccurate.

4. The Developer has deposited with the District the sum of Five Thousand Dollars (\$5,000.00), which shall be utilized as a reserve fund to pay the costs incurred by the District in performing its duties hereunder. If, by payment of such costs, the reserve fund shall be reduced to less than Two Thousand Dollars (\$2,000.00), the Developer shall, upon demand by the District, cause the reserve fund to be replenished to an amount not to exceed Five Thousand Dollars (\$5,000.00). The District may charge the reserve fund the actual cost to the District of providing the services hereunder, and, in addition thereto, an administrative charge equal to 100 percent of the actual costs. Further, the District shall send to the Developer, at least on an annual basis, an itemized statement setting forth the costs and charges incurred since the date of the last statement. When the District becomes the owner of the Systems, the District shall promptly refund to the Developer or its corporate successors and assigns the entire amount, if any, then remaining in the reserve fund.

5. In the event the Developer fails to construct, maintain, operate and repair the Systems as required by the

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Maryland Department of the Environment, then the District, its agents, contractors and licensees, may execute upon any bonds posted by Developer and enter upon the premises and effectuate such maintenance, operation and repair as may be necessary. The Developer shall continue to pay the cost of such maintenance, operation and repair. Any and all other remedies that the District may have shall be strictly preserved. Any such entry for maintenance, operation or repair shall not be considered trespass, and permission to do so is hereby granted irrevocably. The action taken by the District hereunder shall in no way affect the authority of the Maryland Department of the Environment to take independent action, including, but not limited to, the revocation or suspension of the permits to operate the Systems.

6. Within sixty (60) days after the date of this Agreement, the Developer shall provide to the District one (1) full set of working drawings for the construction of the Systems. Within sixty (60) days after the substantial completion of any portion of the Systems, the Developer shall provide to the District one (1) full set of "as built" drawings of the Systems, together with all applicable M & O manuals for the Systems. All such materials shall be provided without cost to the District.

7. Until such time as the District becomes the owner of the Systems as herein provided, the Developer (or the entity to which it may have transferred the Systems in accordance with this

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Agreement) shall have the authority and right to charge fees to the owner of each campground lot in Assateague Pointe Resort or commercial parcel that is part of the Property for the availability and usage of water and sewerage service. Such fees shall be charged to all subdivided campground lots and commercial parcels of record with water and sewerage services available, and the Developer does hereby specifically covenant and agree to pay such fee for each and every lot and parcel owned by the Developer as the same becomes due; provided, however, that no such fee shall be charged or paid with respect to any commercial parcel on which any part of the Systems are situated that does not actually utilize any water or sewerage service. The fees may be increased or decreased to a sum reasonably necessary to cover the cost of the operation, maintenance and repair of the Systems. However, before any such fee restructuring is implemented, it must first be approved by the District as being reasonable to cover the actual or anticipated costs of the operation, maintenance and repair of the Systems. The actual cost of the operation, maintenance and repair of the Systems shall be verified by an annual audit. A copy of the audit shall be forwarded to the District for its review and approval. The audit shall correspond with the District's fiscal year and shall be received within one hundred twenty (120) days after the end of such fiscal year.

8. a. When the Systems are operating within design parameters in compliance with the design criteria for the Systems

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and meet NPDES permit requirements, the Developer (or any entity to which it may transfer the Systems) shall grant, convey and transfer the Systems to the District, and the District shall accept the same, all without cost or charge to the District; provided, however, the District may at any time prior thereto require the Developer (or any entity to which it may transfer the Systems) to grant, transfer and convey the Systems to it if it determines, through the exercise of reasonable judgment, that the Systems are not being properly operated or maintained.

b. The Developer shall convey to the District in fee simple the initial spray irrigation area and the reserve irrigation area to be located on Parcel B (as shown on the Assateague Pointe Resort subdivision plat). The Developer shall convey to the District an easement for (i) the sites for the sewage treatment plant and the storage and treatment lagoons to be located on Parcel A (as shown on the Assateague Pointe Resort subdivision plat) and (ii) the site for the water treatment plant to be located on Outlot B (as shown on the Assateague Pointe Resort subdivision plat). The Developer shall also convey to the District an easement for all underground sewer and water lines. The conveyances shall be free and clear of liens and encumbrances and subject only to the terms of this Agreement and all applicable easements and rightsof-way for roads, CATV, other utilities, etc., depicted or referenced on the Assateague Pointe Resort subdivision plats. The conveyances shall be subject to the condition subsequent that, if

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a publicly-owned and operated sewerage facility serving the area is extended to the Property from Stephen Decatur Highway and the Property is tied into the public sewerage facility, the District's property interest in the sites conveyed for the initial spray irrigation area, the reserve irrigation area, the sewage treatment plant, and the storage and treatment lagoons shall revert back to the Developer, its corporate successors or assigns (and not to any entity to which it may have transferred the Systems), which shall be entitled to delivery of appropriate documents (deeds, etc.) to confirm the reversion not more than ninety (90) days after connection to the public sewerage facility.

c. The Developer's agreement to grant, convey and transfer the Systems to the District constitutes an irrevocable offer of dedication (which the District hereby accepts) that may not be withdrawn or rescinded without the express written agreement of the District.

d. The District covenants and agrees that it will not, without the consent of the Developer (and not any entity to which the Developer may transfer the Systems), permit additions to or expansion of the Service Area to include any land that is not presently contained in the Service Area, or permit use of the Systems by any property outside the Service Area, unless (i) such addition or expansion does not diminish the capacity of the Systems to serve the water and sewerage requirements for development of the land in the Service Area, and (ii) the owner of any land to be

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served by such addition or expansion agrees to pay and pays Developer or its corporate successors and assigns (and not any entity to which it may have transferred the Systems) the sum of \$25.70 per gallon of sewerage service per day (average flow) requested and \$12.00 per gallon of water service per day (average flow) requested. The aforegoing sum(s) shall be adjusted by the percentage change in the Consumer Price Index for "All Urban Consumers, U. S. City Average" as determined by the Bureau of Labor Statistics (and referred to herein as the "CPI") from the month of June, 1990, to the month immediately preceding the month when service to any such addition or expansion commences. In the event that the Bureau of Labor Statistics shall change the base or method of calculating the CPI, but data reflecting the current base and method of calculating the CPI is available from the Bureau of Labor Statistics or other generally acceptable source, such data shall be used in calculating such sum(s). In the event that such CPI data is not available, then such sum(s) shall be adjusted by reference to the statistical index that most closely resembles the CPI, "All Urban Consumers U. S. City Average", on the base of 1982-84 = 100.

9. During the life of this Agreement, the Developer (or the entity to which it may have transferred the Systems) shall provide public liability insurance covering injury and death to persons and damage to property in the amount of at least \$1,000,000

(single limit) at no cost to the District. The District shall be named as an additional insured on all such policies.

10. This Agreement and its faithful performance shall be a condition of any permit or approval issued with respect to the Systems.

11. The Systems shall be subject to all applicable laws and ordinances which regulate their operation and maintenance.

12. This Agreement shall be binding on the parties hereto, their respective successors and assigns, and each party hereto represents that it will deliver or cause to be delivered a copy of this Agreement to any such successor or assign. The Developer may assign its rights under this Agreement to any homeowners' association formed to govern any portion of the Property within the Service Area, but any such assignment shall not relieve Developer of its obligations hereunder.

13. The laws of the State of Maryland shall govern and control this Agreement.

14. This Agreement supersedes, takes the place of, and extinguishes that certain Shared Facilities Agreement between the parties hereto dated December 19, 1989 and recorded among the Land Records of Worcester County in Liber R.H.O. No. 1614, Page 514.

AS WITNESS the hands and seals of the respective parties hereto as of the day and year first above written.

ATTEST Smethurst, Jr. Secretary

ASSATEAGUE POINTE, By: (SEAL) Gebi Purnell President

WORCESTER COUNTY SANITARY DISTRICT

forman F. Dennis

Secretary

ATTEST:

By: <u>Milliam A. Steger, Sr., Chairman</u> Worcester County Sanitary Commission

STATE OF MARYLAND COUNTY OF WORCESTER, TO WIT:

I HEREBY CERTIFY that on this <u>sect</u> day of <u>Anne-</u>, 1990, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared GEORGE A. PURNELL, known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he is the President of Assateague Pointe, Inc., a body corporate, and that he, being authorized so to do, executed the same for the purposes therein contained by signing the name of the Corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Lilua Do Maron-Notary Public

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My commission expires: July 1, 1990

STATE OF MARYLAND COUNTY OF WORCESTER, TO WIT:

I HEREBY CERTIFY that on this 26^{H} day of 300^{H} , 1990, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared WILLIAM A. STEGER, SR., known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he is the Chairman of the Worcester County Sanitary Commission, the governing body of the Worcester County Sanitary District, and that he, being authorized so to do, executed the same for the purposes therein contained by signing the name of the Worcester County Sanitary District by himself as Chairman of the Worcester County Sanitary Commission.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Tharles M. Maize

My commission expires: July 1, 1990

A:APISFA.001 RSS:bh 06/22/90

filed The foregoing _ for record and is accordingly recorded among the land records of Worcester County, Md. in Liber, R.H.O. No. _/6.57 Iolios_12 thre 23, ichand H. K .Clerk

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LIBER 1677 PAGE 552

THIS INSPECTION AND MAINTENANCE AGREEMENT, Made this <u>11th</u> day of <u>December</u>, 1989, by and between COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND, hereinafter called "Commissioners" and <u>ASSATEAGUE POINTE, INC.</u>, hereinafter called "Owner".

WHEREAS, Dwner is presently engaged in the development of land in Worcester County, Maryland which said development is located on <u>MD Route 611</u>_____ Road; and

WHEREAS, Owner is the fee simple owner of lands described in exhibit "A" attached hereto and made a part hereof hereinafter called "the land"; and

WHEREAS, Dwner has received approval of a Stormwater Management Plan dated: June 15, 1989 and entitled: Revised Stormwater Management Plan, a copy of which is located in the County Office of Planning, Permits and Inspections; and

WHEREAS, Owner will construct all of the Stormwater Management Facilities shown on the approved Stormwater Management Plan in accordance with the specifications contained therein, as well as all other applicable standards imposed by the Commissioners; and

WHEREAS, Dwner has agreed to perform maintenance on the Stormwater Management Facilities to insure that the facilities are maintained in proper working condition to meet design standards and any other provisions established, which said maintenance has been deemed to be of mutual benefit to the Commissioners and the Developer.

NOW THEREFORE, THIS INSPECTION AND MAINTENANCE AGREEMENT WITNESSETH, that in consideration of the mutual promises contained herein, the parties hereto do hereby agree as follows:

 Owner shall maintain all the aforesaid Stormwater Management Facilities to County specifications pursuant to the approved Stormwater Management Plan and all other applicable laws, statutes and regulations.
REC FEE TOTL

Owner grants unto Commissioners, their agents and 201990 (employees, an irrevocable right of entry for access to 2. 9-13 P1 the facilities at reasonable times for regular inspection and for regular or special assessments of of property owners to insure that the facilities are maintained in proper working condition to meet design standards and any other provisions established. э. If, after notice by the Commissioners to correct a violation requiring maintenance work, satisfactory corrections are not made by the owner(s) within a reasonable period of time not to exceed thirty (30) days, the Commissioners may perform all necessary work to place the facility in proper working condition. The owner(s) of the facility shall be assessed the cost of the work and may be placed on the tax bill and collected as ordinary real estate taxes by the County for the amount of all expenses so incurred by the Commissioners.

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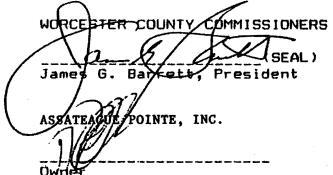
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- 4. The owner of the property on which work has been done pursuant to this agreement for private Stormwater Management Facilities, or any other person or agent in control of such property, shall maintain in good condition and promptly repair and restore all grade surfaces, walls, drains, dams and structures, vegetation, erosion and sediment control measures and other protective devices. Such repairs or restorations, and maintenance shall be in accordance with approved plans.
- 5. This agreement shall be recorded by the owner among the Land Records of Worcester County.
- 6. This agreement shall run with the land and shall inure to the benefit of and be binding upon and enforceable upon all the parties hereto, their heirs, personal representatives, successors and assigns, and any person claiming under owner shall be bound by the provisions hereof.

AS WITNESS, the hand and seal and/or corporate name of the parties hereto, all as of the day and year first herein written.

ATTEST holek (John A. Administrative Officer Chief/ TNESS

As to Owner



G. Troy Purnell, Vice-President

STATE OF MARYLAND, WORCESTER COUNTY, /TO WIT:

I HEREBY CERTIFY that on this Alt day of December 19, before me, a Notary Public in and for the State and County aforesaid, personally appeared <u>G. Troy Purnell</u> known to me (or satisfactorily proven) to be the person(s) whose

name(s) is/are subscribed to the within instrument and acknowledged they executed the same for the purposes therein contained.

AS WITNESS my hand and official seal.

FIT E Notary Public My Commission Expires fr co.

LIBER 1677 PAGE 554

STATE OF MARYLAND, WORCESTER COUNTY, TO WIT: I HEREBY CERTIFY that on this <u>12</u>^T day of <u>September</u> 1990, before me, a Notary Public in and for the State and County aforesaid, personally appeared <u>Jennes J. County</u> who acknowledged himself to be the President of County Commissioners of Worcester County, Maryland, a body politic and corporate of the State of Maryland, and the foregoing President, being authorized so to do, executed the foregoing therin contained, by signing the state of the of said corporation by himself as President.

AS WITNESS my hand and official seal.

Notacy Public

My Commission Expires

(Count Hed ke ferencinti ... for record and is accordingly recorded among the Land records of Warcester County, Md. in Liber, R.H.O. No. ______folios Clerk

COPY

RIGHT OF WAY EASEMENT

Assateaque Pointe, Inc.

CHOPTANK ELECTRIC COOPERATIVE, INC.

File Location Number	
----------------------	--

то

Map Location

Line & Pole No.

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned grantors, Assateaque Pointe Inc.

-arried) (husband and wife), of <u>WOTCESTET</u> one Dollar and other good and valuable considerations, the receipt whereof is hereby acknowledged, do hereby grant unto CHOPTANK CTRIC COOPERATIVE, INC., a corporation, whose post office address is Denton, Maryland, and to its successors and assigns, the perpetual to enter upon our lands (whether held jointly or severally), situated in the <u>10th</u> Election District of <u>WOTCESTET</u>

ity. State of Maryland, and being a tract of land whereon Assateaque Pointe Inc. resides and known as

ateague Pointe _____ consisting of approximately 180 ____ acres. conveyed to these grantors by deed of 23rd day of ______ December, 1988

e road leading from <u>Rts 50</u> to <u>Assate ague Island</u>, adjoining lands of

<u>XXXXX</u><u>Frontier Town</u> and to place, construct, operate, repair, maintain, relocate, replace, ve and extend from time to time thereon and in or upon all streets, roads or highways on or abutting said lands, an electric transmission or bution line or system, overhead or underground, including poles, towers, fixtures, conduits, manholes, vaults, transformers, pads, equipment oppurtenances necessary for delivery of electrical energy now or any time in the future.

including without liability therefor, the right to cut and trim trees and shrubbery located within _______ feet of the center line of said ir system, or that may interfere with or threaten to endanger the operation and maintenance of said line or system (including any control of rowth of other vegetation in the right-of-way which may incidentally and necessarily result from the means of control employed); to keep the vent clear of all buildings, structures or other obstructions; and to license, permit or otherwise agree to the joint use or occupancy of the lines, n or, if any of said system is placed underground, of the trench and related underground facilities, by any other person, association or conion.

The undersigned agree that all poles, wires and other facilities installed in, upon, or under the above-described lands at the Cooperative's exshall remain the property of the Cooperative, removable at the option of the Cooperative.

The undersigned covenant that in pursuance of the rights hereby granted that the CHOPTANK ELECTRIC COOPERATIVE, INC., its scors and assigns, shall quietly enjoy said right in said lands; that they are the owners thereof and that the said lands are free and clear of nbrances and liens of whatsoever character except those held by the following persons:

IN WITNESS WHEREOF, the undersigned have set their hands and seals this _____ day of _____ 19____

-d, sealed and de-

Assateague Pointe Inc.	(L.S.)
George A. Purnel , President	
<u> </u>	(L_S)
(STATIK /	
ABON ADECOGNIT	(2.5)
YE	
	(L.S.)
Granters and Mortgage Holders	-

Secretary

ASSATEAGUE POINTE RESORT

MHAA Information

Attachment F

~ :

BYLAWS

<u>OF</u>

<u>ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.</u> (a Maryland nonstock, nonprofit corporation)

ARTICLE I

OTHER DOCUMENTS

<u>Section 1.</u> <u>Declaration</u>. The term "Declaration" means the Declaration of Restrictions, Covenants, Easements, Equitable Servitudes, Charges, Assessments and Liens by Assateague Pointe, Inc., that is dated September 11, 1990, to be recorded among the Land Records of Worcester County, Maryland, as it may be amended. To the extent that these Bylaws may conflict with it, the Declaration shall control.

<u>Section 2</u>. <u>Charter</u>. The term "Charter" means the Articles of Incorporation of the Association, which is dated August 1, 1990, and was filed with the Maryland Department of Assessment and Taxation on August 27, 1990, as it may be amended. The provisions of the Charter shall control over the provisions of these Bylaws as to all matters addressed in the Charter, including the corporate name of the Association and its purposes, principal office (address), and resident agent (name and address).

ARTICLE II

DEFINITIONS

Words and phrases that are defined in the Declaration shall have the same meaning if used in these Bylaws.

ARTICLE III

MEETING OF MEMBERS

<u>Section 1.</u> <u>Annual Meetings</u>. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on a day in the same month of each year thereafter, to be set each year by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4th) of all of the votes of the membership that states the purpose of the meeting.

<u>Section 3.</u> <u>Notice of Meetings</u>. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

<u>Section 4.</u> <u>Quorum</u>. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these ByLaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

<u>Section 5.</u> <u>Proxies</u>. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot. If a proxy is not challenged before a vote is cast, it may not be challenged after the vote is cast. Unless a proxy provides otherwise, it is not valid more than eleven (11) months after its date, provided, however, that regardless of its terms, every proxy shall become invalid two years after its date if it remains valid at such time.

<u>Section 6</u>. <u>Open Meetings</u>. All meetings of the members shall be open to all members and their proxies.

<u>Section 7</u>. <u>Voting by Mail</u>. By resolution of the Board of Directors and by means of such ballot and procedures as it may prescribe, the members may vote by mail on a stated proposal or for the election of directors or any officers who are elected by members; reference is hereby made to Section 5-202(b) (8) of the

<u>Corporations and Associations Article</u> of the <u>Annotated Code of</u> <u>Maryland</u> (1985 Repl. Vol.).

<u>Section 8</u>. <u>Required Vote</u>. Unless a greater vote is required for an action by law or by the provisions of the Articles of Incorporation or these Bylaws, a majority of the votes cast by the members, including votes cast by mail in the case of matters on which members may vote by mail, shall be sufficient for such action.

<u>Section 9.</u> <u>Place of Meetings</u>. Meetings of the members shall be held at a location in Worcester County, Maryland, that shall be selected by the Board of Directors or the president and stated in the notice of the meetings.

<u>Section 10. Proof of Membership</u>. Upon becoming an Owner of a Lot, it shall be the duty of such Owner to furnish to the Association a legible copy of the <u>recorded</u> deed that establishes such ownership. Unless and until the copy is furnished to the Association, the Owner may be denied the right to vote at meetings of the members and declared not to be in good standing as a member by the Board.

<u>Section 11. Corporate, Etc., Owners</u>. An Owner that is a corporate or other entity (partnership, etc.) is required to vote by proxy at meetings of the members. Its vote may be excluded if the person casting it has not furnished an effective proxy.

<u>Section 12</u>. <u>Proof of Identity</u>. Any person who desires to attend a meeting of the members may be required to furnish such evidence of his or her identity as a member or a member's proxy as the Board or presiding officer shall prescribe, such as a driver's license, to be admitted and to vote.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE

<u>Section 1.</u> <u>Number</u>. The affairs of this Association shall be managed by a Board of five (5) directors, who need not be members of the Association, provided, however, that until directors are elected by the members, the Board shall consist of three (3) directors who initially shall be the persons who are named as such in the Articles of Incorporation. By majority resolution, the Board may increase the number of directors to seven.

<u>Section 2.</u> <u>Term of Office</u>. At each annual meeting the members shall elect the directors for a term that shall run until the next annual meeting and until their successors are elected and qualify.

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<u>Section 3</u>. <u>Removal</u>. Any director may be removed from the Board, but only with cause, by a majority vote of the members of the Association. In the event of removal of a director, a successor shall be selected by the remaining members of the Board to serve for the unexpired portion of the term of the removed (former) director.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association, provided, however, that someone who is a director may also furnish services to the Association as its employee or contractor for compensation. However, any director may be reimbursed for travel and other expenses incurred in the performance of his duties.

Section 5. Vacancy. A member of the Board shall be deemed to have vacated his or her office if he or she shall (i) die or become mentally or physically disabled, (ii) resign or (iii) be absent from three (3) consecutive regular meetings of the Board of Directors. In the event of vacancy on the Board, its remaining members may select a successor to serve for the unexpired portion of the term of the (former) director who has vacated.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

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

<u>Section 3.</u> <u>Qualifications</u>. A director must be at least twenty-one (21) years of age, but is not required to be a member of the Association.

ARTICLE VI

MEETINGS OF DIRECTORS

<u>Section 1.</u> <u>Regular Meetings</u>. Regular meetings of the Board of Directors shall be held guarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

<u>Section 2.</u> <u>Special Meetings</u>. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

<u>Section 3.</u> <u>Quorum</u>. The presence in person at a regular or special meeting of a majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

<u>Section 4</u>. <u>Open Meetings</u>. Except to the extent that such meetings may be held in closed session in accordance with law, all meetings of the Board of Directors and its committees shall be open to all members of the Association or their agents.

<u>Section 5.</u> <u>Action Taken Without a Meeting</u>. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

<u>Section 6</u>. <u>Minutes</u>. The Board shall keep written minutes of its meetings that are accurate and reasonably complete; the text of each resolution shall be entered in such minutes.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

<u>Section 1.</u> <u>Powers</u>. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests, and to establish penalties for the infraction thereof;

(b) suspend a member's voting rights, utility services and right to use the Common Area and facilities during any period in which such member shall be in default in the payment of any assessment or charge levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

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

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

(f) elect the officers of the Association.

(g) to hear appeals from the Environmental Control Committee and exercise all powers conferred upon the Board (or on the Association, without specification of the method of exercise) by the Declaration or by operation of law.

<u>Section 2</u>. <u>Duties</u>. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4th) of the Class A members who are entitled to vote;

(b) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot for each annual assessment period;

(2) send written notice of each assessment or charge to every Owner subject thereto; and

(3) direct the president to foreclose the lien against any property for which assessments are not paid or to bring an action at law against the owner personally obligated to pay the same after reasonable notice of such action.

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

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

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

(g) cause the Common Area to be maintained, in accordance with the Declaration.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

<u>Section 1</u>. <u>Enumeration of Offices</u>. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

<u>Section 2</u>. <u>Election of Officers</u>. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

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

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

<u>Section 5.</u> <u>Resignation and Removal</u>. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

<u>Section 7.</u> <u>Multiple Offices</u>. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

<u>Section 8</u>. <u>Duties</u>. The duties of the officers are as follows:

(a) <u>President</u>. The president shall preside at all meetings of the members and Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all contracts, leases, mortgages, deeds and other written obligations of the Association.

(b) <u>Vice-President</u>. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

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(c) <u>Secretary</u>. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) <u>Treasurer</u>. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting.

ARTICLE IX

OFFICERS AND DIRECTORS: LIABILITY, INDEMNIFICATION, AND CONFLICT OF INTEREST

Liability. Officers and directors of the Section 1. Association shall not be liable by reasons of their position or act(s) as an officer or director except for their own willful misconduct or action taken in bad faith and for any loan made to any such officer or director, for which each officer or director who makes, votes for or assents to the making of the loan shall be jointly and severally liable to the Association. Neither mistakes in judgment nor negligence shall constitute willful misconduct or bad faith. The failure to prevent or abate an act or omission by someone else shall not constitute willful misconduct or bad faith and such acts and omissions shall not be deemed or imputed to be those of an officer or director who fails to prevent or abate their occurrence.

Section 2. <u>Indemnification</u>. The Association shall indemnify each of its officers and directors against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been an officer or director of the Association, whether or not such person is an officer or director at the time such expenses are incurred, in accordance with Section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland, as amended. Any right

to indemnification provided for herein shall not be exclusive of any other rights to which any present or former officer or director of the Association may be entitled.

Section 3. <u>Conflict of Interest</u>. Officers and directors shall exercise their powers and duties in good faith and with a view to the interest of the Association and its members. No contract or other transaction between the Association and one or more of its officers or directors, or between the Association and any corporation, firm or association in which one or more of the officers or directors of the Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because any such officer or director is present at the meeting of the Board of Directors or any committee thereof at which the contract or transaction is authorized, approved or ratified, or because his or her vote is counted for such purpose, if any of the following conditions exists:

(a) the fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the Board of Directors authorizes, approves, or ratifies such contract or transaction in good faith by a vote of disinterested directors sufficient for the purpose; or

(b) the fact of the common directorate or interest is disclosed or known to the unit owners or a majority thereof or noted in the minutes, and they approve or ratify the contract or transaction in good faith by a vote of disinterested unit owners sufficient for the purpose; or

(c) the contract or transaction is commercially fair and reasonable to the Association at the time it is authorized, ratified, approved or executed.

Common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof at which it authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction, including those with himself for herself or with any corporation, firm or association in which he or she is an officer or director or is pecuniarily or otherwise interested.

ARTICLE X

COMMITTEES

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

ARTICLE XI

BOOKS AND RECORDS

The books, records, minutes and papers of the Association shall at all times, during reasonable business hours, be subject to inspection and copying by any member or the mortgagee of any lot or their duly authorized agents or attorneys on reasonable notice, except to the extent that the Association may properly withhold material to protect its confidentiality. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments and charges by the Association, which are secured by a continuing lien upon the property against which the assessment or charge is made. If the assessment or charge is not paid when due, it shall bear a late charge and interest in the full amount provided in the Declaration, unless waived by the Board of Directors or the President. The Association may bring an action at law against the Owner personally obligated to pay any overdue assessment or charge and to foreclose the lien against the Owner's Lot, and late charges, interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments

provided for herein by nonuse of the Common area or abandonment or sale of his Lot.

ARTICLE XIII

MISCELLANEOUS

<u>Section 1</u>. <u>Seal</u>. The Association may (but is not hereby required) have a seal in circular form having within its circumference the corporate name of the Association.

<u>Section 2</u>. <u>Fiscal Year</u>. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XIV

AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

IN WITNESS WHEREOF, we, being all of the directors of the Assateague Pointe Homeowners Association, Inc., have hereunto set our hands this 11th day of September, 1990.

George A. Purhell	
Lee W. Williams	
G. Troy Pernell	
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ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC. Bylaws

άy

Purnell, Sect'y.

CERTIFICATION OF ADOPTION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the Assateague Pointe Homeowners Association, Inc., a Maryland nonstock, nonprofit corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 11th day of September, 1990.

IN WITNESS WHEREOF, I have hereunto subscribed my name as the Secretary of the Association this 11th day of September, 1990.

(c:\forms\realest\realest.035) 5/1/90 ~ d:\rbt\realest\assptres.by]

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ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.

ANNUAL BUDGET FOR FISCAL YEAR 1994

* *

PROPOSED BUDGET IF DEVELOPMENT FULLY EXPANDED

* * *

STATEMENT OF ANTICIPATED MANDATORY FEES AND ASSESSMENTS

Effective January 1, 1994

I. DISCUSSION:

A. <u>General</u>: The data in the budget is stated on the basis of a normal fiscal year (<u>i.e.</u> 12 months). The projected fully expanded budget consists of hypothetical data that is estimated to be representative of the budget if the development were fully expanded (522 lots) at all times during the fiscal year; it is noted that until all lots are sold, the current budget may be based on a lesser number than 522.

B. <u>Reserves Policy</u>: The budgets do not include any reserves for capital replacement costs, thus resulting in a lower level of assessments than would be the case if reserves were funded from the budget. The so-called "pay as you go" concept will be adopted, initially, in the management of the development. Under this policy, owners will be required, as the need for capital replacement arises, to pay special assessments or higher annual assessments (or a combination), but until then will have the use of additional money due to the lower level of assessments. No estimate or representation is made as to the useful life or likely replacement cost of any of the items to be maintained or operated by the Association.

- C. <u>Electric Charges</u>: (based on quarterly electric meter reading)
 - 1. <u>Base</u>: 300 KWH/quarter included in annual assessment, with any excess billed as stated in subpart 2, below.
 - 2. <u>Excess</u>: 12.6 cents/KWH over the base KWH in any quarter; not included in budget; billed separately as appropriate.

D. Estimated Nature of Data: The data in the budgets is not guaranteed, and represents a good faith estimate of the cost of operation that reflects (among other things) the fact that the property (pool, roads, etc.) will be in substantially new condition as well as the understanding and information that the Declarant (developer) has reached based upon experience and conversations with the operators of similar property. Although the Declarant may contribute funds

ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC. Budget & Mandatory Fees and Assessment - F.Y. 1994

to hold the assessments at or below a particular amount, it is <u>not</u> obligated to do so (or, if it elects to do so, to continue to do so). In addition, the budget is subject to the inherent uncertainty as to prices of goods and labor, error in estimating the volume required and unforseen contingencies, which could result in higher fees and assessments.

E. <u>Certain Items That Are Not Covered</u>: Unlike some condominium and homeowner organizations, the Homeowners Association will not provide certain services or bear certain expenses, which the owners of lots will be required to pay, as desired. These include the repair and maintenance of the home and other improvements on a lot¹ and casualty insurance thereof. The cost of bottled gas (propane) for heating and cooking will be paid by the owner of a lot to the supplier. The Homeowners Association is not required to obtain insurance coverage for potential liability of an owner for his negligence or other conduct on the lots or the Common Area, and does not plan to carry such insurance.

In addition, charges for water and sewerage services are made by the Worcester County Sanitary District, which has assumed the operation and maintenance of the mains and equipment pursuant to the Shared Facilities Agreement between the District and the developer. Any excess electric usage (over the base level stated above) will be charged to the owner of the lot as discussed above.

II.	ASSUMPTIONS:	The	follc	wing	assu	impt i	lons	have	been	used	in	the	budget
		expe	enses	(but	are	not	warr	anted	and	mav b	e i	naccu	rate):

- 1. Swimming pool will be available for use from May 15 to September 15, during the hours of 10 A.M. to 9 P.M. each day.
- 2. Lots will be moved approximately 26 times each year.
- 3. Minimal repair of roads and Common Area facilities will be necessary; no capital replacement will be required. [Note: This assumption will not be valid in future years].
- 4. The Association will maintain "all risks" casualty insurance on the buildings and equipment that it owns (except for foundations and components that are normally not insured) that provides coverage for their full replacement cost, with the following provisions that significantly affect the cost of such insurance: Deductible \$1,000/occurrence.
- 5. The Association will maintain general comprehensive liability insurance coverage on its operation and the Common Areas (covering only the potential liability of the Association) subject to the following provisions that significantly affect the cost of such insurance: Maximum ("limits") \$1 Million/occurrence; \$2 Million total (sum of base and umbrella policies).

^{1.} The only services or work on the lots that the Association currently plans to provide is mowing of the grass.

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- 6. The association will maintain workmen's compensation coverage of its employees in accordance with law; the estimated premium of such insurance is \$2,265 per year.
- 7. Gatehouse will be operated (with an attendant) during the hours of 5 P.M. to 9 A.M. each day.
- 8. Electrical cost figures are based upon previous years' usage with increase allowances for anticipated number of new homes occupied during the current year.
- 9. The Common Area and improvements thereon will not be subject to real estate taxes (taxes imposed on the lots will reflect the value of the Common Area and improvements thereon).
- 10. No security services will be furnished by the association.

Estimate Of Cost To Maintain Roads For The Next Ten Years

An estimate of the cost to maintain the roads in Phases 1, 2, 3, and 4 of Assateague Pointe Resort for the next tenyear period beginning 10/01/90 is submitted in accordance with applicable law. It is assumed that these costs will be shared equally by the 522 lots in Phases 1, 2, 3 & 4 as part of the dues paid to the Assateague Pointe Owners Association, Inc.

Within these phases, there are approximately 13,500 linear feet of 20'-wide paved surface (which equals 270,000 square feet or 30,000 square yards) and approximately 7,480 linear feet of 22'-wide paved surface (which equals 164,560 square feet or 18,284 square yards). It is assumed that some minor repair work (pot holes, street signs, etc.) costing \$1,500 per year will be required --\$15,000 over the 10-year period. In addition, it is estimated that the roads will need resurfacing in approximately 6-8 years. Based upon today's resurfacing cost of \$1.75 per square yard, the total of 48,284 square yards would cost \$84,497. However, figuring in a 4% per year inflation factor and an estimate that the roads would be resurfaced in seven years, the projected cost would be 128% of today's cost, or \$108,156. The estimated 10-year road maintenance cost is thus the sum of \$15,000 and \$108,156 or \$123,156.

If the total 10-year road maintenance cost is divided among the 522 lots in Phases 1, 2, 3, & 4, it amounts to \$23.59 per lot per year.

ASSATEAGUE POINTE ENVIRONMENTAL CONTROL COMMITTEE GUIDELINES

<u>HOME</u>

- A. MANUFACTURED HOMES AND PARK HOMES ONLY, NO TRAVEL TRAILERS OR MOTOR HOMES.
- B. MAXIMUM SIZE HOME SHALL BE 750 SQ. FT. THE 750 SQ. FT. MEASUREMENT SHALL INCLUDE ALL DECKS AND/OR ROOM ADDITIONS.
- C. ALL HOMES MUST HAVE VINYL SIDING AND SHINGLED ROOFS.
- D. ANY ROOM ADDITIONS TO HOMES SHALL BE SECTIONAL TYPE (SUCH AS SILVERTOP) OR BE MANUFACTURED BY THE SAME BUILDER AS THE HOME USING THE SAME SIDING AND TRIM AS THE HOME. ON SITE STICK BUILT ROOMS WILL NOT BE PERMITTED.
- E. CANVAS WINDOW AND DOOR AWNINGS MAY BE PERMITTED ONLY BY WRITTEN APPROVAL. MAXIMUM HEIGHT SHALL BE 30" AND MAXIMUM PROJECTION SHALL BE 30". COLORS MUST BE APPROVED BY THE ECC COMMITTEE. ALL AWNINGS MUST BE OF QUALITY MATERIAL, PROPERLY INSTALLED AND MAINTAINED. ECC MAY REQUIRE REMOVAL AND/OR REPAIR SHOULD CANVAS BECOME UNSIGHTLY.

DECKS

- F. OPEN DECKS MUST BE BUILT FROM NEW MATERIALS ONLY. RAIL HEIGHT SHALL BE A MINIMUM OF 36" AND A MAXIMUM OF 42" IN HEIGHT. ANY DECK GREATER THAN 30" FROM GROUND LEVEL WILL BE REQUIRED TO HAVE EITHER LATTICE OR PICKETS THAT HAVE OPEN SPACES OF NO GREATER THAN 4". DECKS MUST BE SKIRTED WITH THE SAME SKIRTING AS USED ON THE HOME.
- G. SKIRTING IS REQUIRED ON ALL HOMES, DECKS AND ADDITIONS. CURRENT APPROVED SKIRTING IS THE "T-LOK" BRAND IN WHITE, BEIGE OR GRAY. A BLACK PLASTIC "GROUND TRACK LINER" IS REQUIRED.
- H. NO GROUND LEVEL WOODEN DECKING WILL BE APPROVED.

SHEDS

I. SHEDS MUST BE OF THE "SALT BOX" DESIGN IN AN "8 X 8" OR "8 X 10" SIZE, AND THEY MUST BE ANCHORED. SHED SIDING AND SHINGLE COLORS MUST MATCH THE HOME. SHEDS MUST GENERALLY BE PLACED IN THE LEFT REAR OF THE LOT WITH THE DOORS FACING THE STREET. ALL SHEDS MUST BE BUILT AND PAINTED OFF-SITE AND CANNOT BE INSTALLED ON THE LOT UNTIL COMPLETED. ANY SHED BUILT BY ANY BUILDER EXCEPT "BLACK BEAR STRUCTURES" SHALL REQUIRE COMPLETE PLANS AND PHOTOS TO BE SUBMITTED PRIOR TO BEING CONSIDERED FOR APPROVAL. SHED SETBACKS ARE AS FOLLOWS: RIGHT SIDE YARD SETBACK = 3'

LEFT SIDE YARD SETBAC	K = 0' *
FRONT YARD SETBACK	= 10'
REAR YARD SETBACK	= 5'
UE ECC	

* A SET BACK MAY BE IMPOSED BY THE ECC

PARKING

J. EACH LOT MUST MAINTAIN AN OPEN SPACE ACCESSIBLE FOR PARKING OF 2 CARS (10' X 20' EACH). PARKING SPACES MAY BE GRAVELED, PAVED, OR CONCRETE. THEY MAY ALSO BE LEFT IN A NATURAL GRASS CONDITION SO LONG AS NO EROSION OR UNSIGHTLY CONDITION IS CAUSED BY LACK OF STABILIZATION. GRAVEL DRIVE-WAYS MUST HAVE A LUMBER BORDER PROPERLY ANCHORED TO THE GROUND. ALSO, A PLASTIC OR CLOTH LINER MUST GO UNDER THE GRAVEL TO PREVENT GRASS GROWTH.

COURTYARDS

- K. CONCRETE PADS FOR RECREATION MAY BE PLACED IN AN APPROVED LOCATION ADJACENT TO THE LEFT SIDE OF THE HOME. THE RECREATION PADS MAY NOT EXCEED A WIDTH OF 16 FEET OR A LENGTH OF 30 FEET ON A 50' x 60' LOT TOTALING A MAXIMUM OF 480 SQUARE FEET. THE ECC MAY GRANT A PERMIT FOR LARGER PADS ON LARGER AND/OR CORNER LOTS.
- L. COURT-YARD FENCES. A FENCE MAY BE PLACED AROUND THE RECREATIONAL CONCRETE PAD TO CREATE A COURT-YARD. THE CONSTRUCTION OF THE FENCE MUST BE VINYL SIDING THAT MATCHES THE HOME. LATTICE MAY BE USED FOR A TRIM ABOVE THE FENCE SO LONG AS ALL LATTICE EDGES ARE MOLDED OR TRIMMED OUT. FENCE HEIGHT MAY NOT EXCEED 52" OF SOLID MATERIAL AND MAY NOT HAVE A TOTAL HEIGHT OF MORE THAN 72".
- M. PATIO BLOCKS OR BRICKS, WHEN USED AS A SIDEWALK, MUST BE BORDERED BY LUMBER TIES AND PROPERLY SECURED TO THE GROUND. ANY VOIDS OR CRACKS BETWEEN BLOCKS MUST BE FILLED EITHER WITH CEMENT OR GRAVEL (INCLUDING PROPER GROUND COVER).
- N. RECREATIONAL CONCRETE PADS OR COURT YARDS MAY NOT BE COVERED WITH AWNINGS OR ROOFS. CANVAS "BEACH" TYPE UMBRELLAS WILL BE PERMITTED IN THESE AREAS BUT MUST BE STORED WHEN NOT IN USE.

PLANTER BOXES

O. WHEN ADJOINING THE HOME, PLANTER BOXES MAY BE NO WIDER THAN 48" FRONT AND REAR WITH A MAXIMUM HEIGHT OF 24". WHEN ADJOINING THE SIDE OF THE HOME, IT MAY BE NO WIDER THAN 42" WITH A MAXIMUM HEIGHT OF 12". WHEN ADJOINING A COURTYARD PRIVACY WALL, MAXIMUM WIDTH IS 18" AND MAXIMUM HEIGHT IS 12". PLANTER BOXES DETACHED FROM THE HOME WILL HAVE A MAXIMUM SIZE OF 10 SQ. FT. EACH WITH A TOTAL OF ALL DETACHED PLANTER BOXES NOT TO EXCEED 40 SQ. FT. MAXIMUM HEIGHT ON DETACHED PLANTER BOXES IS 12".

NOTE - ALL PLANTER BOXES MUST BE PROPERLY BORDERED WITH LUMBER

TIES OR VINYL EDGING AND THE INSIDE COVERED WITH "WEED CLOTH" AND GRAVEL OR MULCH. SEE ATTACHED PRINT. - ALL TREES, SHRUBS AND OTHER PLANTINGS MUST BE BORDERED BY A PLANTER BOX MATERIAL OF WOOD, LUMBER OR BLOCK AS SHOWN ON DETAIL A OF LANDSCAPE BED LAYOUT SHEET.

- P. OWNERS OF LOTS ADJOINING COMMON PROPERTIES MUST RECEIVE PRIOR APPROVAL BEFORE PLACING ANY LANDSCAPING OR IMPROVEMENTS ON COMMON PROPERTY.
- Q. THE ECC RESERVES THE RIGHT TO APPROVE ALL TYPES OF PLANTINGS. GENERALLY SHRUBS WILL BE REQUIRED TO HAVE A HEIGHT OF NO MORE THAN 48".

MISCELLANEOUS

- R. TENTS MAY NOT BE PLACED ON THE HOME SITES.
- S. OUTDOOR GRILLS SHALL NOT EXCEED 6 SQ. FT. IN COOKING SURFACE AREA.
- T. WINDOW AIR CONDITIONERS ARE NOT PERMITTED.
- U. HOUSE NUMBERS THE COUNTY EMERGENCY SERVICES REQUIRE 3" HOUSE NUMBERS ON EACH HOME. BLACK OR WHITE LETTERS MAY BE USED BUT THE COLOR AND LOCATION MUST RECEIVE E.C.C. APPROVAL. A COMPLETE APPLICATION FOR APPROVAL NEED NOT BE FILLED OUT FOR THIS. A SPECIAL FORM IS AVAILABLE FOR THIS PURPOSE.
- V. NO T.V. ANTENNAS ARE PERMITTED NOW THAT CABLE T.V. SERVICE IS AVAILABLE IN THE COMMUNITY.
- W. PROPANE TANKS MUST BE WHITE IN COLOR, ANCHORED AND GENERALLY LOCATED IN THE REAR OF THE HOME.
- X. AWNINGS WINDOW AND DOOR AWNINGS SHALL BE PERMITTED. THE MAXIMUM PROJECTION FROM THE HOME IS 30" AND THE MAXIMUM HEIGHT IS 30". THE AWNING MUST BE OF GOOD QUALITY MATERIALS AND MUST BE PROPERLY INSTALLED. COLORS SHALL BE APPROVED BY THE ASSOCIATION.
- Y. APPROVED LIGHT AND POLE: "ADJUST A POST" LIGHT MODEL 109 (WHITE ONLY) POLE - MODEL 308. APPROXIMATE COST FOR BOTH (NOT INSTALLED) \$50.00 BOTH CAN BE PURCHASED AT E.D. SUPPLY, 58TH ST., OCEAN CITY.

THESE GUIDELINES HAVE BEEN ESTABLISHED TO HELP PLAN IMPROVEMENTS TO HOMES AND LOTS. COMPLIANCE WITH THESE GUIDELINES DOES NOT CONSTITUTE AN APPROVAL. <u>A WRITTEN "APPLICATION FOR APPROVAL" FORM MUST BE</u> <u>RECEIVED BY THE E.C.C. PRIOR TO ANY APPROVAL</u>. THE E.C.C. SHALL CONSIDER EXCEPTIONS TO THESE GUIDELINES FOR UNUSUAL CIRCUMSTANCES SUCH AS UNUSUAL SHAPED LOTS, LOTS ADJOINING COMMON PROPERTY, HANDICAPPED PERSONS, ETC.

EFFECTIVE 4/2/94

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ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC. 2013 BUDGET & MANDATORY FEES AND ASSESSMENTS

	TOTAL 2013	JAN 2013	FES 2013	MAR 2013	APRIL 2013	WAY 2013	JUNK 2013	JULY 2013	AUG 2013	SEPT 2013	OCT 2013	NOV 2013	DEC 2013
MAINTENANCE					de la	109 20		in the special second s					
GROUNDS MAINTENANCE REPAIRS - RIP RAP	120,000	1,000	1,000	3,000	15,000	15,000	13,000	20,000	13,000	18,000	12,000	8,000	1,000
CUSTODIAL	12,600	300	300	300	800	600	3,000	2,500	2,000	1,800	500	300	300
BUILDING MAINTENANCE	10,000	500	500	500	1,000	1,000	1,200	1,200	1,200	1,200	1,200	500	500
EQUIPMENT MAINTENANCE	8,003	200	600	1,000	1,000	1,000	1,000	008	800	700	300	800	300
ROAD MAINTENANCE DEPRECIATION - ÉCUIP & AUTO	1,500 3,000	1,000 250	500 250	250	250	250	260	250	250	250	250	250	250
ELECTRIC SYS MAINTENANCE	12,000	600	500	3,000	500	500	3,000	500	500	1.000	500	500	1,000
PIER / CAMERA MAINTENANCE	3,000	250	250	250	250	250	250.	250	250	250	250	250	250
BOAT STORAGE MAINTENANCE	1,200				600	T. Can	600						
SPECIAL PROJECTS	20,905		- Carlo and a	<u>م</u> يندوني متع <u>اديا</u>	3,500	3,600	3,500	3,500	5,500	2,500	Same -	ويستغنج سينت	مىيتىنى شىرى
SUBTOTAL	291,700	4,000	3,900	8,200	122,700	22,100	25,300	29,000	21,500	25,700	15,009	10,100	3,800
UTILITY EXPENSES			(19 23)					998 - 191 1					- 19 C
ELECTRICITY	280,000	12,500	12,500	12,500	13,500	25,000	32,000	52,000	50,000	30,000	18,000	12,500	12,500
TRASH REMOVAL	58,500	1,000	1,009	3,500	5,000	6,500	7,500	8,600	7,500	8,000	3,000	4,000	3,000
PROPANE GAS	8,000	1,000	1,000	1,000	500		500 300		500		500		1,000
CABLE TV WIFI SUPPORT	3,600	300	300			300 450	450	900 450	300 450	300	300	300	300
TAXES AND LICENSES	700			Sec. 1988	a da ba			700					
WATER & SEWER SERVICE	2,400			600			600			600			600
SUBTOTAL	353,450	14,800	14,800	17,900	19,300	32,250	41,350	61,950	58,750	39,350	18,800	18,800	17,400
AMENTITIES													
POOL CONTRACT	46,000	Pe /				11,500	11,500	11,500	11,500				
POOL MAINTENANCE	12,600			500	500	3,000 600	3,000	3,000 500	3,000 580	500	Cha 1	-	500
ENTERTAINMENT PURNITURE & EQUIP PURCHASE	5,000 18,000			6,000	2,500	2,500	2,500	2,500	500		500	500	uuu
SUBTOTAL	78,000	0	o	6,500	3,000	17,500	17,500	17,500	15,000	500	500	500	500
OTHER RESERVE FOR REPLACEMENTS	24,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2.000	2,000	2,000	2,000	2,000
SUBTOTAL	24,080	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL EXPENSES	998,600	34,253	83.646	65,687	167,733	94,476	116.054	135,349	120,436	94,136	52,493	44,709	39,627
TALL AND ADDRESS OF	uge addited so internation	and the splitting of the second	er an		and the state of the state of the state	mer annærfærigerige	A CONTRACTOR OF CONTRACTOR	anuted a carica			an a	an chille and	an a

ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC. 2013 BUDGET & MANDATORY FEES AND ASSESSMENTS

	TOTAL 2013	JAN 2013	FEB 2013	MAR 2013	APRIL 2013	MAY 2013	JUNE 2013	JULY 2013	AUG 2013	SEPT 2013	OCT 2013	NOV 2013	0EC 2013
NCOME:								1 1					
ASSESSMENTS / FEES ANNUAL ASSESSMENT	730,800	60,504	60,000	60,900	60,900	80,900	60,000	80,400	80,900	60,906	60,900	60,900	60,900
OTHER INCOME EXCESS ELECTRIC CHARGES	245,009			26,500			72,600						
GAME & LAUNDRY RECEIPTS	6,200	100	100	200	200	300	1,200	1,200	1,600	118,000	300	300	28,000 200
GATE GARD & MISC. INCOME	1,350	50	50	100	100	150	250	350	100	50 0	300 50	50	
BOAT STORAGE INCOME	10,000	2,500	2,500	2,500	1,250	700	450	50	0	D	0	0	50 0 400
INTEREST INCOME	5,250	400	500	500	400		500	300	450	500	200	800	400
TOTAL OTHER INCOME	247,440	3,080	3,150	29,000	1,950	1,900	74,900	1,709	2,150	116,850	560	950	28,650
TOTAL INCOME	998,600	63,950	64,050	90,700	62,650		136,800	62,800	63,050	179,750	61,450	61,850	89,550

EXPENSES

MINISTRATIVE EXPENSES		. Surger											
ADMINISTRATIVE	20,400	1,600	1.600	1,600	2,000	1,600	1,600	2,000	1,600	2,000	1,600	1,600	1,600
MANAGEMENT EXPENSE	63,886	2,883	3,076	3,156	4,148	8,008	8,008	8,008	8,006	8,006	3,911	3,718	2,969
OFFICE EXPENSE	8,000	500	500	500	800	1,000	1,000	600	1,000	500	600	500	500
TELEPHONE	4,000	300	300	300	300	300	400	400	400	350	350	300	300
GATEHOUSE, ETC.	73,200	5,400	5,400	5,400	6,750	5,800	5,800	8,050	5,800	7,250	5,400	5,400	6,750
LEGAL & ACCOUNTING	5,500			4,600	7 光学 20			900		a an			
VEHICLE - GAS & MAINT	8,300	500	500	1,000	1,000	600	760	750	750	750	500	500	500
INSURANCE	28,000	700		10,500	3,100	550	3,600	1,000	3,100	1,600	1,500	1,250	1,200
PAYROLL TAXES	25,791	450	466	2,817	1,521	1,456	7,134	2,079	1,416	5,116	1,218	932	1,189
CONTINGENCY	13,373	1,114	1,114	1,114		<u> </u>	1,114	1,114	1,114	1,114	1,114	1,114	1,119
SUBTOTAL	250,459	13,453	12,946	30,987	20,733	20,626	29,404	24,899	23,186	26,586	16,193	15,309	16,127

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Assateague Pointe Homeowners Inc.

Golf Cart Regulations / Registration Form

I/we _____ Lot ____ acknowledge receiving these regulations and understand the penalties for the violations. I/We understand that violation of any of these regulations can or will result in fines starting at \$50 for the first offense and can increase up to \$500 for ongoing violations.

- 1. All golf carts must be registered and the sticker displayed on Golf Cart.
- 2. Correct Lot number and registration sticker must be <u>visible</u> on the cart.
- 3. Rules of the road apply to anyone driving a golf cart in Assateague Pointe.
- 4. Only licensed drivers are permitted to drive or steer carts.
- 5. All carts driven at night must have the headlights on and taillights.
- 6. No carts are to be driven on any of the grassy common areas, except at the front dog walking area.
- 7. Lot owners are responsible to make sure people driving their cart abide by these guidelines. <u>The lot owners are responsible for the fines.</u>

Name (s):	
Lot#:	
Contact Phone Number(s):	
Signature(s):	
Date:	
Effective May 1, 2007	