

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

OF

"OLD GLORY AND ORIOLE LANDING SUBDIVISIONS"

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THIS DECLARATION, dated February 17, 2000, by QUALITY BUILT HOMES, INC., a Maryland Corporation, and ORIOLE LANDING, L.L.C., a Maryland Limited Liability Company, hereinafter referred to as the "Declarants".

RECITALS

A. The Declarant, QUALITY BUILT HOMES, INC., is the owner of a tract of land in the First Election District of Calvert County, Maryland, which has been subdivided into a residential subdivision know as "Old Glory"; and ORIOLE LANDING, L.L.C., is the owner of a tract of land in the First Election District of Calvert County, Maryland, which has been subdivided into a residential subdivision known as "Oriole Landing". Said tracts of land (hereinafter called the "Properties") are situated adjacent to each other, and consist of all that land which is shown on the following subdivision plats:

1. Final Plat, Plat One (Lots 1-11, Open Space A, B & H) Old Glory, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber KPS No. 1, Folio 90.
2. Final Plat, Plat Two (Lots 12-28, Parcel A, Open Space C & D) Old Glory, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber KPS No. 1, Folio 91
3. Final Plat, Plat Three (Lots 29-40, Open Space F & G) Old Glory, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber KPS No. 1, Folio 92.
4. Final Plat, Plat Four (Outlot A & B, Open Space E) Old Glory, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber KPS No. 1, Folio 93.
5. Plat One, Oriole Landing, Lots 1 through 10, Lots 50 through 59, Outlots 11 and 12, and Open Space, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber BJS No. 1, Folio 93.

1. Community Recreation Open Space "A", consisting of 2,642 square feet, Community Recreation Open Space "H", consisting of 7,200 square feet, and Conservation Open Space "B", consisting of 5.806 acres, as shown on Final Plat, Plat One (Lots 1-11, Open Space A, B & H) Old Glory, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber KPS No. 1, Folio 90.

2. Conservation Open Space "C", consisting of 5.706 acres, and Conservation Open Space "D", consisting of 1.007 acres, as shown on Final Plat, Plat Two (Lots 12-28, Parcel A, Open Space C & D), Old Glory, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber KPS No. 1, Folio 91.

3. Conservation Open Space "F", consisting of 6.120 acres, as shown on Final Plat, Plat Three (Lots 29-40, Open Space F & G), Old Glory, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber KPS No. 1, Folio 92.

4. Conservation Open Space "E", consisting of 16.677 acres, as shown on Final Plat, Plat Four (Outlot A & B, Open Space E), Old Glory, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber KPS No. 1, Folio 93.

5. Conservation Open Space, consisting of 1.165 acres, and Conservation Open Space, consisting of 1.810 acres, as shown on Plat One, Oriole Landing, Lots 1 through 10, Lots 60 through 59, Outlots 11 and 12 and Openspace, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber BJS No. 1, Folio 93.

6. Community Open Space, consisting of 11,305 square feet, and Recreation Area, consisting of 6.65 acres, as shown on Plat Three, Oriole Landing, Lots 13 through 25, Lots 43 and 44, Recreation Area and Community Open Space, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber BJS No. 1, Folio 95.

7. Conservation Open Space, consisting of 62.805 acres, as shown on Plat Five, Oriole Landing, Open Space and Outlot A, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber BJS No. 1, Folio 97.

C. "Declarants" means QUALITY BUILT HOMES, INC., a Maryland Corporation, and ORIOLE LANDING, L.L.C., a Maryland Limited Liability Company, and any respective successors or assigns of said Declarant(s), to whom they shall convey or otherwise transfer all of their respective right, title and interest in the respective Properties then owned by them, and/or to whom they shall expressly transfer, and assign all of their respective right, title and interest under this Declaration, or any amendments or supplements thereto.

D. "Owner" or "Owners" refers to the person or legal entity, or the combination thereof, including contract sellers, holding the record fee simple or perpetually renewable leasehold title to a Lot in either of the Properties, as the Lot is now or may from time to time be created or established. If more than one person or other legal entity or any combination thereof, holds the record title to any Lot, all of them shall be deemed a single record owner by virtue of their ownership of the Lot. The term "Owner" shall not mean any contract purchaser, or the owner of any redeemable ground rent reversion issuing out of any Lot, nor shall it include any mortgagee or other person or legal entity holding an interest in a Lot as security for the performance of an obligation. For purposes of this Declaration, the terms "Owner" does not include the Declarants.

E. "Properties" mean all of the land which is shown on those plats which are identified in Paragraph A of the Recitals of this Declaration, and such additions thereto as may hereafter be annexed by the Declarant, Quality Built Homes, Inc.

F. "Record Plats of Old Glory Subdivision and Oriole Landing Subdivision" or "Subdivision Plats" refers to any subdivision plat of any portion of the Properties which have been properly recorded among the Plat Records of Calvert County, Maryland.

G. "Street" or "Streets" refers to any street, roadway, alley, walkway, path or easement on or adjacent to the Properties which are intended: (1) to be conveyed to the Board of County Commissioners of Calvert County, Maryland as a public roadway, or (2) for the use and enjoyment of the Owners.

ARTICLE II

REPAIR, MAINTENANCE AND USE OF LOTS

Section I

The Lots and any buildings or structures now or hereafter erected on a Lot shall be occupied and used for residential purposes only and shall not, under any circumstances, be used for commercial or manufacturing purposes of any kind. The storage and/or repair of automobiles and other types of motor vehicles on a Lot is strictly prohibited, with the exception of any registered and properly tagged automobiles and/or motor vehicles which are actually owned and operated by the Owner or any lawful occupant of the Lot.

Section II

No house, building, garage, shed, fence, retaining wall, driveway or other structure of any kind (hereinafter called "Structure" or "Structures") shall be commenced, erected or maintained on any Lot until the plans and specifications showing the nature, kind, shape, height and proposed location of the Structure shall have been submitted to and approved in writing by the Declarant, Quality Built Homes, Inc. The Declarant, Quality Built Homes, Inc., shall consider all applications for approval of plans, specifications, etc., upon the basis of conformity with this Declaration and shall be guided by the extent to which the proposed Structure, in the Declarant's, Quality Built Homes, Inc.'s, sole discretion, will insure conformity and harmony in exterior design and appearance in and about the respective Properties, based upon the following factors, among others: the quality of workmanship; nature and durability of materials; harmony of exterior design with existing Structures; changes in topography, grade elevations and/or drainage; factors of public health and safety; effect of the proposed Structure on the use, enjoyment and value of other neighboring properties; and the suitability of the proposed Structure taking into account the general aesthetic values of the surrounding area. Plans and specifications may be disapproved by the Declarants, in its sole discretion, even for purely aesthetic reasons.

(a) No main residential Structure may be permitted on any Lot, the habitable floor area of which, exclusive of basements, porches, patios, breezeways and garages, is less than 1,400 square feet, in the case of a single-story residential Structure, or 1,750 square feet, in the case of all other types of residential Structures. The foregoing minimum living space requirements may be waived and/or altered by the Declarant, Quality Built Homes, Inc., from time to time and in specific instances if, in the Declarant's, Quality Built Homes, Inc.'s, sole discretion, a proposed residential Structure shall have sufficient compensating qualities or design, construction, finish and cost to maintain a uniform standard of construction throughout the Properties. Under no circumstances however, shall modular or pre-assembled residential Structures be permitted on any Lot. No fence or wall of any kind shall be erected or maintained on any Lot until the proposed location thereof and type of materials to be used have been approved in writing by the Declarant, Quality Built Homes, Inc.

(b) Every Structure which has been approved by the Declarant, Quality Built Homes, Inc., for erection or placement on a Lot, must be completed within one (1) year of the date on which the construction thereof commenced. In the event that construction of an approved Structure is not commenced within six (6) months after approval of the plans and specifications therefore by the Declarant, Quality Built Homes, Inc., such plans and specifications shall be resubmitted for approval and shall be subject to complete reconsideration by the Declarant, Quality Built Homes, Inc.

(c) Every residential Structure which is erected on a Lot shall have a two (2) car, or larger, garage attached thereto.

Section III

No Structure of a temporary character, and no trailer, basement, tent, garage, barn or other outbuilding shall be used on any Lot at any time as a residence, temporarily or permanently. A temporary Structure may be utilized in connection with the construction of a permanent Structure on a Lot; provided, however, that such temporary structure shall be removed from the Lot when its construction function is completed. Under no circumstances shall any type of temporary Structure remain on a Lot for more than six (6) months.

Section IV

No boats, trailers or recreational vehicles shall be regularly parked or stored on any subdivision Street, or on any Lot except in areas located to the rear of the main residential Structure. Unregistered and/or untagged motor vehicles shall not be permitted to be stored on any Lot or any of the Streets at any time. Any motor vehicles requiring repairs having a duration in excess of twenty-four (24) hours shall be performed in an enclosed garage only.

Section V

No advertising or display signs of any character shall be placed or maintained on any Lot, or any Structure or on any part of the Properties except with the prior written consent of the Declarants. Modest "For Sale" post signs and name signs (not exceeding 2' X 3' in size) shall be exempt from this restriction.

Section VI

No damming or obstructing of any streams, branches, ponds or other waterways shall be permitted on any Lot or on any part of the Properties except with the prior written consent of the Declarant, Quality Built Homes, Inc.

Section VII

The Declarant, Quality Built Homes, Inc., expressly reserves the right to ban absolutely, or restrict in any manner whatsoever, the use of unlicensed

motorcycles, motor scooters, motorbikes, mini-bikes, go-carts and other similar types of motor-powered vehicles upon the Lots, and any part of the Properties.

Section VIII

Domestic household pets may be kept and maintained on the Lots or in Structures erected thereupon, provided they are not kept, bred or maintained for any commercial purpose and provided further that they are kept in such a manner as to avoid becoming a nuisance to neighbors or adjoining property owners. All such domestic animals shall be leashed or under direct adult control when not actually on the Lot where they are normally kept.

Section IX

No horses, livestock or farm animals of any kind may be kept, maintained or bred on any Lot or in any Structure erected thereon.

Section X

Each Lot and all of the Structures thereon shall be kept in good order and repair, free of debris and maintained in a manner and with such frequency as is consistent with good property management. All trash, garbage and refuse shall be stored in properly covered receptacles suitably screened from the view of Streets and neighboring properties. No exterior clotheslines shall be allowed on any Lot. All exterior fuel or other storage containers on any Lot must be buried beneath the ground or otherwise screened from the view of Streets and neighboring properties.

Section XI

No nuisance shall be maintained, allowed or permitted on any Lot or any part of the Properties, and no use shall be made of any Lot or permitted thereon which may be noxious or detrimental to health, or cause annoyance to neighboring property owners. The discharge of firearms of any type is strictly prohibited on any Lot or any portion of the Properties for any reason whatsoever.

Section XII

No television and/or other communication antennas, regardless of type or model, shall be allowed to extend to a height beyond six (6') feet above the highest roofline of the residential Structure on which it is erected. No freestanding satellite dishes exceeding twenty-four inches (24") in diameter or freestanding antennas shall be permitted on any lot.

Section XIII

Grass and weed growth on all Lots shall not be permitted to exceed eight inches (8") in height in areas thereon which are adjacent to or visible from any Streets or neighboring Lots, and all Lots shall be maintained in a neat and orderly condition at all times. In the event that an Owner fails to comply fully with this requirement, the Declarant, Quality Built Homes, Inc., shall have the absolute right to enter upon the particular Lot for the purpose of cutting weeds and grass thereon; the cost of which service shall be paid by the defaulting Owner. The Owner of each Lot shall also be responsible for the proper maintenance of any areas between the hard surface of any adjacent Streets and his respective boundary lines.

Section XIV

An easement for public utility purposes is reserved by the Declarants, their successors and assigns, over a ten foot (10") wide strip of land around the perimeter of each Lot.

ARTICLE III

EXEMPT AND PARTIALLY-EXEMPT
PROPERTY

Section I

Notwithstanding any other provisions of this Declaration, it is hereby expressly stipulated that the terms, conditions, limitations, and covenants, contained herein shall not apply to Streets or to any other areas of the Properties which are intended to be conveyed to the Board of County Commissioners of Calvert County, Maryland, or any other public or quasi-public entity or public utility.

Section II

Notwithstanding any other provisions of this Declaration, it is hereby expressly stipulated and declared that this Declaration, and the covenants, conditions, restrictions and easement contained herein, shall not apply to, encumber or benefit Lot No. 50, Oriole Landing Subdivision, as shown on a plat entitled "Plat One, Oriole Landing, Lots 1 through 10, Lots 50 through 59, Outlots 11 and 12, and Open Space, which is recorded among the Land Records of Calvert County, Maryland at Plat Liber BJS No. 1, Folio 93, one of the Land Records of Calvert County, Maryland.

Section III

Notwithstanding any other provisions of this Declaration, it is expressly stipulated and declared that this Declaration, and the covenants, conditions, restrictions and easements contained herein, shall not apply to any areas of land which are shown and designated on the Record Plats of Old Glory and Oriole Landing as "Conservation Open Space", "Outlots" and "Forest Retention Areas"; nor shall any such areas of land be deemed to be Common Areas.

ARTICLE IV

OLD GLORY AND ORIOLE LANDING HOMEOWNERS ASSOCIATION, INC.

Section I

After the recording of this document, the Old Glory and Oriole Landing Homeowners Association, Inc., hereinafter the Association, shall be established. Except as specified herein, the form, members, duties and responsibilities of the Association and certain other matters relating to it shall be as set forth in the Articles of Incorporation of the Association.

Section II

Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section III

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

Class A. Class A members shall be all owners, with the exception of the Declarant, Quality Built Homes, Inc., and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be Declarant, Quality Built Homes, Inc., and shall be entitled to fifteen (15) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equals the total votes outstanding in Class B membership, or

(b) on December 31, 2005.

ARTICLE V

PROPERTY RIGHTS IN THE COMMON AREA

Section I

Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees and assessments for the use of any open space, recreation area or facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use the recreational facilities by an owner for any period during which any assessment against his or her Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(c) the right of the Association to dedicate 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 agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

Section II

Any Owner may delegate, in accordance with the By-Laws of the Association, right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section III

The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair in compliance with standards to be set by the Architectural Control Committee.

ARTICLE VI

COVENANTS FOR MAINTENANCE ASSESSMENTS BY THE ASSOCIATION

Section I

The Declarants for each Lot owned within the properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall also pass to his successors in title upon transfer of ownership of the Lot.

Section II

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residences in the Properties and of the homes situated upon the Properties, including but not limited to, costs involved in the enforcement of the Covenants, Conditions and Restrictions, and for the improvement and maintenance of the Common Area.

Section III

At such time as the Declarants conveys the Common Areas to the Association, the maximum annual assessment per Lot shall be Seventy-Five and No/100 Dollars (\$75.00), and shall be payable within thirty (30) days of written notification from the Declarant, Quality Built Homes, Inc., and continue on an annual basis thereafter.

(a) The maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of membership.

(b) The maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix an annual assessment at an amount not in excess of the maximum.

Section IV

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section V

Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than thirty

(30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section VI

Both annual and special assessments must be fixed at a uniform rate for all lots and shall be collected on a monthly basis.

Section VII

The annual assessments provided for herein shall commence as to all Lots upon receipt of a thirty (30) day written notice from the Declarant, Quality Built Homes, Inc., and shall continue on an annual basis thereafter. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section VIII

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The By-Laws may provide for a late charge of Fifteen Dollars (\$15.00) or one-tenth (1/10) of an installment or assessment, whichever is greater, provided it only applies once to each installment and is only imposed if the delinquency has continued for at least fifteen (15) days. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section IX

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a mortgage or deed of trust or any proceeding or transfer in lieu thereof, shall extinguish the lien or such assessments as to payments which shall become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VII

GENERAL PROVISIONS

Section I

Invalidation of any one of these covenants or restrictions by judgment or Court order shall not affect any other provisions which shall remain in full force and effect.

Section II

The Declarant, Quality Built Homes, Inc., hereby reserves the right to annex additional residential property and common areas to the Properties in the future.

Section III

The covenants and restrictions of this Declaration shall run with and bind the Properties for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of five (5) years unless prior to the expiration of the then current term, a written instrument shall be executed by the then Owners of seventy-five percent (75%) of the Lots stating that this Declaration shall expire at the end of the then current term. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Owners of not less than ninety percent (90%) of the Lots, and thereafter by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots. Any such amendments must be recorded among the Land Records of Calvert County, Maryland.

Section IV

The covenants, conditions and restrictions contained herein shall run with and bind the Properties and shall be enforceable by the Declarants (their successors and assigns) and by the Owners of all or any portion of the Properties. The Declarants shall have the absolute, unilateral right, exercisable at any time after all of the Lots within the Properties have been conveyed by the Declarants to Owners, to completely relinquish all or any part of the rights, powers, obligations and/or liabilities (including discretionary powers and rights) reserved by, conferred upon or assumed by the Declarants, expressly or by implication, by this Declaration. Any such relinquishment by the Declarants shall be evidenced by appropriate instrument recorded among the Land Records for Calvert County, Maryland, and upon the proper recordation thereof, all of the Declarants' obligations with respect to those rights and powers being abandoned and relinquished shall immediately cease and terminate.

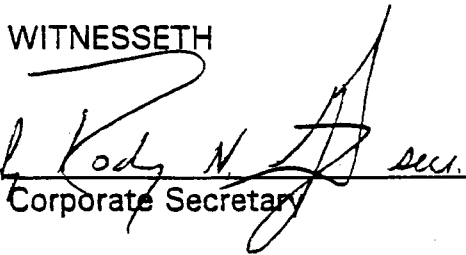
In the event that the Owners of all or any number of Lots shall undertake to form an association of Owners which attains the status of a legally-recognized entity (the "Association"), the Declarants shall have the absolute, unilateral right, exercisable at any time, to assign unto such Association all or any part of the rights and powers (including discretionary powers and rights) reserved by or conferred upon the Declarants by this Declaration. Any such assignment or transfer shall be evidenced by an appropriate instrument recorded among the Land Records of Calvert County, Maryland, and upon the proper recordation thereof, the Association shall thereafter have the absolute right and authority to exercise and perform all of the rights and powers so assigned and/or transferred by the Declarants, and the Declarants shall thereafter be relieved of all liability with respect thereto.

Section V

Any act or action to be performed (including actions involving authorizations and/or approvals) by the Declarants under or pursuant to this Declaration, whether or not discretionary on the part of the Declarants, shall be done and accomplished when performed by any authorized officer or agent of Quality Built Homes, Inc., and/or Oriole Landing, L.L.C., acting in such capacity.

WITNESS the hands and seals of the Declarants on the date hereinabove first written:

WITNESSETH


Corporate Secretary

QUALITY BUILT HOMES, INC.
A Maryland Corporation

BY:  V.P. (SEAL)
RODNEY M. GERTZ,
Vice-President