

BY-LAWS

PERSIMMON HILLS IMPROVEMENT ASSOCIATION, INC.

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**BY-LAWS
OF
PERSIMMON HILLS IMPROVEMENT ASSOCIATION, INC.**

ARTICLE I

Section 1. Name and Location. The name of this Corporation is PERSIMMON HILLS IMPROVEMENT ASSOCIATION, INC. (hereinafter sometimes referred to as the "Corporation"). Its principal place of business and mailing address is 200 E. Mt. Harmony Road, P. O. Box 48-A, Owings, Maryland, 20736. Said principal office may be changed by the Board of Directors at any time and from time to time. The corporation is a non-profit, non-stock corporation organized under the laws of the State of Maryland. The Corporation may have such other offices within or without the State of Maryland as the Board of Directors or the members may from time to time designate. This Corporation shall be the Association described in the Declaration, and for purposes of identification the Corporation shall be hereinafter referred to in these By-Laws as the "Association".

Section 2. Applicability. These By-Laws and each provision thereof shall be applicable to all Lot Owners within this community known as Persimmon Hills situate in St. Mary's County, Maryland, and described in the Declaration.

**ARTICLE II
DEFINITIONS**

Section 1. "Declaration" as used herein, means that certain Management and Maintenance Declaration made the _____ day of _____, 1992 by J.D. Murray, a Maryland resident, recorded among the Land Records of St. Mary's County, Maryland, and any declaration amendatory or supplementary thereto.

Section 2. "Manager" or "Management Agent" shall mean and refer to that person, company or other entity retained by the Association to provide maintenance and management services (including the collection and disbursing of Association funds upon appropriate direction therefor) for the Association.

Section 3. Any other term used in these By-Laws shall have the same meaning as set forth in the Declaration except where said meaning is clearly inappropriate.

**ARTICLE III
MEMBERSHIP**

Section 1. Members. Every person, group of persons, corporation, trust, firm, partnership, association or other legal entity, or any combination thereof, which owns or occupies a Lot within that portion of the Property subject to the Declaration shall be a member of the Association; PROVIDED, HOWEVER, that any

shall be a member of the Association; PROVIDED, HOWEVER, that any person, group or persons, corporation, trust, firm, partnership, association or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of any obligation shall not be a member solely by reason of such interest.

Section 2. Classification of Members. Members of the Association shall be divided into classes as follows:

Class A Members. With the exception of Declarant (but subject to the provisions of this Section converting Class B to Class A membership), every person, group of persons, corporation, partnership, trust or other legal entity who is a record owner of a fee simple interest in any Lot which is or becomes subject to the Declaration shall be a Class A member of the Association; PROVIDED, HOWEVER, that any such person, group of persons, corporation, partnership, trust, or other legal entity who holds such interest solely as security for the performance of an obligation shall not be a member solely on account of such interest. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership. In the event that more than one person, group of persons, corporation, partnership, trust or other legal entity is the record owner of a fee simple interest in any Lot, then the vote for the membership appurtenant to such Lot shall be exercised as they among themselves determine in the manner provided hereinbelow, but (except as herein provided) no more than one vote shall be cast with respect to any Lot.

August 9, 2000 modified by assignment
Class B Members. The Class B member shall be the Declarant (and/or such other persons to whom Declarant shall assign any Class B membership) and each Class B member shall be entitled to three votes for each Lot which it holds; PROVIDED, HOWEVER, that such Class B Membership shall lapse and become a nullity on either of the following events, whichever occurs first:

(i) when the total votes outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership; or

(ii) seven (7) years from the date of recordation of the Declaration; PROVIDED, HOWEVER, that if the Declarant is delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid seven (7) year period shall be extended by a period of time equal to the length of the delays or three (3) years, whichever is less.

Upon the lapse of all of the Class B memberships, as provided in this Article III, Declarant shall be a Class A

member of the Association as to each and every Lot in which Declarant holds the interest otherwise required for such Class A membership.

Section 3. Assignment of Membership. The Class A membership, but not the Class B memberships, shall be appurtenant to the Lot owned by a member and may not be assigned except in conjunction with the Lot to which they are appurtenant. Class B membership shall be freely assignable to any legal entity serving in capacity as a Declarant hereunder as the same is defined in Article I, Section 4 of the Declaration.

Section 4. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Association, the assets of the Association shall be distributed to an appropriate public agency to be used for similar purposes to those for which this Association was created. In the event that such distribution is not accepted, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization and operated for such similar purposes.

Section 5. Method of Voting Membership Held by More Than One Person. In the event a membership is held by more than one person, that membership shall, nevertheless, be entitled to only one indivisible vote. The method of voting such membership shall be as described in Article IV, Section 7 of these By-Laws.

ARTICLE IV MEETING OF MEMBERS

Section 1. Place of Meeting. Meetings of the membership shall be held at the principal office or place of business of the Association or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the members of the Association shall be held at such time as the Board of Directors shall determine but shall be held, in any event, within one (1) year following the date of filing of the Articles of Incorporation with the State Department of Assessments and Taxation of Maryland. Thereafter, the annual meetings of the members of the Association shall be held on such date as the Board of Directors may determine but not less than three (3) nor more than five (5) months after the last day of the Association's fiscal year. If the Board of Directors shall fail to set a date for the annual meeting, in any year, then such meeting for that year shall be held at 8:00 p.m. on the third (3rd) Wednesday of April. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Article V, Section 5 of these By-Laws. The members may also transact such other business of the Association as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by members representing at least twenty percent (20%) of the total membership entitled to vote having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each meeting or special meeting, stating the purpose thereof as well as time and place where it is to be held, to each member of record, at his address as it appears on the membership books of the Association, or if no address appears, at his last known place of address, at least ten (10) but not more than ninety (90) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the member at his Lot or last known address. Attendance by a member at any meeting of the members shall be a waiver of notice by him of the time, place and purpose thereof.

Section 5. Quorum. The presence, either in person or by proxy, of members entitled to cast one-tenth (1/10) of the votes of each class shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members unless a greater number is provided by the Declaration, Articles of Incorporation or these By-Laws.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Voting. At every meeting of the members, each of the members shall have the right to cast one (1) vote for each membership which he owns on each question. The vote of the members representing fifty-one percent (51%) of the membership present and voting at the meeting, in person or by proxy, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by express provision of statute, or of the Declaration, or of the Articles of Incorporation, or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the members are unable to agree on the manner in which the vote for such membership shall be cast on any question, then such vote shall not be counted for

purposes of deciding that question. In the event that the membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate and attested by the secretary or an assistant secretary of such corporation and filed with the Secretary of the Association prior to the meeting. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors if the books or management accounts show such member to be more than sixty (60) days delinquent in any payment due the Association. No vote may be divided into fractional votes on any question.

Section 8. Proxies. A member may appoint any other member or the Declarant or Management Agent as his proxy. Any proxy must be in writing and must be filed with the Secretary in a form approved by the Board of Directors before the appointed time of each meeting. Unless limited by its terms or by statute, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary, by the death of the member, or by conveyance of the Lot to which the membership is appurtenant.

Section 9. Rights of Mortgagees. Any institutional Mortgagee of any Lot who desires notice of the annual and special meetings of the members shall notify the Secretary to that effect by registered mail, return receipt requested. Any such notice shall contain the name and post office address of such institutional Mortgagee and the name of the person to whom notice of the annual and special meetings of the members should be addressed. The Secretary of the Association shall maintain a roster of all institutional Mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the members to each such institutional Mortgagee, in the same manner, and subject to the same requirements and limitations as are provided in Section 4 of this Article for notice to the members. Any such institutional Mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the members and such representative may participate in the discussion at any such meeting and may, upon his request to the Chairman in advance of the meeting, address the members present at any such meeting. Such representatives shall have no voting rights at any such meeting.

Section 10. Order of Business. The order of business at a regularly scheduled meetings of the members shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Election or appointment of inspectors of election.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New business.

In the case of a special meeting, items (a) and (b) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

ARTICLE V **DIRECTORS**

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors initially consisting of three (3) natural persons who need not be members of the Association, and who shall be designated by the Declarant and who shall hold office until the election of their successors at the first annual meeting of the members of the Association. The names of the members of the directors are: J. D. Murray, Glen Haley, and Doris M. Logan.

Commencing with the first annual meeting of the Association, the Board shall consist of an uneven number of not less than three (3) nor more than seven (7) members who shall be elected by the members of the Association. All directors must be natural persons. Prior to the lapse of all of the Class B memberships as provided for in the Articles of Incorporation and the Declaration, the number of directors shall be determined from time to time by a vote of the initial directors named by the Declarant; thereafter, the number of directors shall be determined by a vote of the members at the annual meeting of members and the number of directors may be changed by a vote of the members at any subsequent annual or special meeting of the members; PROVIDED, HOWEVER, that (a) the limitations of this Section shall continue to apply; and (b) no such change shall operate to curtail or extend the term of any incumbent director.

Section 2. Powers and Duties. The Board shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers and duties of the Board shall include, but not be limited to, the following:

To provide for the:

(a) care and upkeep of the Improvement Areas in a manner consistent with the law, the provisions of these By-Laws, and the Declaration.

(b) establishment and collection of assessments and/or carrying charges from the members and for the assessments and/or enforcement of liens therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(c) designation, hiring, and/or dismissal of personnel necessary for the good working order of the Association, for the proper care of the Improvement Areas, and to provide services for the Association in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(d) promulgation and enforcement of such rules (including imposition of fines for violations thereof) as may be deemed proper respecting the use, occupancy and maintenance of the Lots and Improvement Areas as are designated to prevent unreasonable interference with the use and occupancy of the Association by the members, all of which shall be consistent with law and the provisions of these By-Laws and the Declaration.

Section 3. Management Agent. The Board may employ for the Association a Management Agent at a rate of compensation approved by the Board of Directors to perform such duties and services as the Board shall from time to time authorize in writing. Any agreement with any Management Agent shall provide for a maximum term of one year and be terminated upon ninety (90) days written notice, with or without cause or upon thirty (30) days or less written notice with cause.

Section 4. Budget. The Board of Directors, with the assistance of the Management Agent, shall prepare and adopt a budget for each annual assessment period which shall include estimates of the funds required by the Association to meet its annual expenses for that period and shall include reasonable reserves for repair and replacement. The budget herein required to be prepared and adopted by the Board of Directors shall be in a format consistent with the classification of the accounts of the Association, and shall provide for sufficient estimates, on a consistent periodic basis, to permit comparison to and of deviations from the various periodic reports of the actual results of operation and the actual financial condition of the Association, on both a current basis and for prior corresponding periods, all in accordance with generally accepted accounting practices, consistently applied. Copies of the budget shall be available for examination by the members and by their duly authorized agents and attorneys, and by any institutional holder of any first Mortgage

on any Lot in the project and by their duly authorized agents and attorneys, during normal business hours, for purposes reasonably related to their respective interests, and upon reasonable notice.

Section 5. Term of Office. At the first annual meeting of the members, the members shall elect the Board and the term of office of the two (2) directors receiving the greatest number of votes shall be fixed for two (2) years. The term of office of the other director or directors shall be fixed for one (1) year. At the expiration of the initial term of office of each respective director, his successors shall be elected to serve a term of two (2) years. In the alternative, the membership may, by resolution duly made and adopted at the first annual meeting of members, or any subsequent annual meeting, resolve to fix the term for each Director elected at any such meeting at one (1) year. Directors shall hold office until their successors have been elected and hold their first regular meeting.

Section 6. Vacancies. Vacancies in the Board caused by any reason other than the removal of a director through normal annual elections as herein provided shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; each person so elected shall be a Director until a successor is elected by the members at the next annual meeting.

Section 7. Removal. After the first annual meeting of the Association, any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. Prior to the first annual meeting of the Association, any director may be removed from the Board, with or without cause, by the Declarant.

Section 8. Compensation. Except for those directors named as such in Section 1 of this Article, and any of their successors elected prior to the first annual meeting of the members, no remuneration shall be paid to any director for services performed by him for the Association in any other capacity unless approved by a vote of two-thirds (2/3) of the members.

Section 9. Organization Meeting. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided a majority of the entire Board shall be present.

Section 10. Regular Meeting. Regular meetings of the Board may be held at such time and place as shall be determined by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings

of the Board of Directors shall be given to each director and all members, personally or by mail or telephone, at least six (6) days prior to the day named for such meeting.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Board on three (3) days' notice to each director, given personally or by mail or telephone, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least one-third (1/3) of the directors.

Section 12. Waiver of Notice. Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be waiver of notice by him of the time, place and purpose thereof. If all the directors are present at any meeting of the Board no notice shall be required and any business which may properly come before the Board at such meeting may be transacted.

Section 13. Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present and voting at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Action Without Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 15. Fidelity Bonds. The Board shall require that all officers, agents and employees of the Association handling or responsible for association, corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE VI OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, or a Secretary/Treasurer all of whom shall be

elected by the Board and none of whom shall be related by marriage or otherwise. Prior to the first annual meeting of members, the officers of the Association need not be members of the Association. Thereafter, all officers of the Association shall be members of the Association.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the members and of the Board. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the membership from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated to him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the members of the Association; he shall have custody of the seal of the Association; he shall have charge of the membership transfer books and of such other books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association, in such depositories as may from time to time be designated by the Board.

ARTICLE VII
LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director of the Association 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 the Association) to which he 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. The officers and directors of the Association shall not be liable to the members of the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Owners of Lots) and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Association, or former officer or director of the Association may be entitled.

Section 2. Common or Interested Directors. The directors shall exercise their powers and duties in good faith and with a view to the best interests of the Association. No contract or other transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association (including the Declarant) in which one or more of the directors of this Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such director or directors are present at the meeting of the Board or any committee thereof which authorizes or approves the contract for such purposes, if any of the conditions specified in any of the following subparagraphs exist:

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

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

(c) The contract or transaction is commercially 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 at any meeting of the Board or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such a director or officer of such corporation or not so interested.

ARTICLE VIII **MANAGEMENT**

Section 1. Management and Common Expenses. The Association, acting by and through its Board, shall manage, operate and maintain the Improvement Areas and, for the benefit of the Lots and the Owners thereof, shall enforce the provisions hereof and shall pay out of the common expense fund provided for herein, the following:

(a) The cost of directors and officers liability, fire, and extended liability insurance for the Improvement Areas and the cost of such other insurance as the Association may effect, or deem appropriate.

(b) The cost of the services of a person or firm to manage the project together with the services of such other personnel as the Board shall consider necessary for the operation of the Improvement Areas.

(c) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Association.

(d) The cost of construction, reconstruction, maintaining, replacing and repairing the Improvement Areas as the Board shall determine is necessary and proper, and the Board shall have the exclusive right and duty to acquire the same; PROVIDED, HOWEVER, that nothing herein contained shall require the Association to construct, reconstruct, maintain, replace and repair any Lot or any fixtures, appliances or equipment located therein the maintenance of each Lot being the sole responsibility of the Owner or occupant thereof, except as may be expressly provided in the Declaration.

(e) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Association is required to secure or pay for by law, or otherwise, or which in the discretion of the

Board shall be necessary or proper for the operation of the Association.

Section 2. Management Agent. The Association may, by contract in writing, delegate any of its ministerial duties, powers or functions to a Management Agent. The Association and the Board shall not be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

Section 3. Easements for Utilities and Related Purposes. In the event that the Association owns any property in fee simple, the Association shall be authorized and empowered to grant (and shall from time to time grant) such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, television and other communications cables, internal and external wiring and antennae, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities and other common services to the Property or any part thereof as may be considered necessary, appropriate or desirable by the Board for the orderly maintenance, preservation and enjoyment of the Property or for the preservation of the health, safety, convenience and/or welfare of the Owners of the Lots or the Declarant. Said easements, licenses and rights-of-way shall be granted by vote of the Board of Directors of the Association and the members shall not be required to approve such grants.

Section 4. Limitation of Liability. The Association shall not be liable for any failure of utilities or other services to be obtained by the Association or paid out of the common expense fund, or for injury or damage to person or property caused by the elements or by the owner of any Lot, or any other person, or flow from any portion of the Property owned and/or maintained by the Association or from any wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the Owner of any Lot for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Improvement Areas. No diminution or abatement of common expense assessments, as hereinelsewhere provided shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Improvement Areas, or to any Lot or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority. THE ASSOCIATION IS NOT A PROVIDER OF SECURITY SERVICES FOR THE LOTS, DWELLINGS AND/OR COMMON AREAS, AND OWNERS SHOULD IMPLEMENT SECURITY MEASURES, IF DESIRED, TO PROTECT THEIR PERSONS, LOTS, DWELLINGS AND PERSONALTY.

Section 5. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors.

Section 6. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures affecting the project and its administration and shall specify the maintenance and repair expenses of the Common Areas and services, and of any other expenses incurred. The amount of any assessment required for payment of any capital expenditures of the Association shall be credited upon the books of the Association to the "Paid-in-Surplus" account as a capital contribution by the members.

Section 7. Auditing. At the close of each fiscal year, the books and records of the Association shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. Based upon such report, the Association shall furnish its members with an annual financial statement, including the income and disbursements of the Association.

Section 8. Inspection of Books. The books and accounts of the Association, and vouchers accrediting the entries made thereupon, shall be available for examination by the members of the Association, attorneys representing any of the members, and to any institutional holder of any first Mortgage on any Lot and/or its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their interests, as members or as the institutional holder of any first Mortgage on any Lot.

Section 9. Execution of Association Documents. With the prior authorization of the Board, all notes and contracts shall be executed on behalf of the Association by either the President or Vice President, and all checks shall be executed on behalf of the Association by such officers, agents or other persons as are from time to time authorized by the Board of Directors.

Section 10. Rule-Making Authority. Set forth in the Declaration are various specific restrictions on the use of the Improvement Areas. The Association, acting by vote of its Board, shall have the right to promulgate rules and regulations implementing and supplementing said restrictions and such rules shall have the same force and effect as if they were incorporated into the Declaration. Except where immediate implementation is necessary to prevent injury to the health, safety or welfare of persons or to prevent damage or waste to any portion of the Property, such rules and regulations shall be displayed for fifteen (15) days after their promulgation prior to becoming effective.

ARTICLE IX
DESTRUCTION AND DAMAGE

Section 1. Use of Insurance Proceeds. In the event of damage or destruction of any portion or all of the Improvement Areas by fire or other casualty, the same shall be promptly repaired or reconstructed in substantial conformity with the original plans and specifications with the proceeds of insurance available for that purpose, if any.

Section 2. Proceeds Insufficient. In the event that the proceeds of insurance are not sufficient to repair damage or destruction of the Improvement Areas by fire or other casualty, or in the event such damage or destruction is caused by any casualty not herein required to be insured against, then the repair or reconstruction of the damaged Improvement Areas shall be accomplished promptly by the Association at its common expense. The ratable share of the expense of such repairs or reconstruction may be assessed and the lien for the same shall have all the priorities provided for in the Declaration.

ARTICLE X
AMENDMENT AND APPROVALS

Section 1. Amendments by Members. These By-Laws may be amended by the affirmative vote of members representing sixty-six and two-thirds percent (66-2/3%) or more of the votes at any meeting of the members duly called for such purpose.

Section 2. Amendments by Declarant. During the period in which the Declarant owns a Class B membership, the Declarant reserves the right to unilaterally amend these By-Laws to meet the requirements of the Federal Housing Administration, Veterans's Administration, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, title insurance company or any other governmental or quasi-governmental agency, or to meet the requirements of any mortgage lender; PROVIDED, HOWEVER, that any such amendment shall not materially adversely affect the substantive rights hereunder of any member other than Declarant. Any such amendment shall be distributed to all members.

Section 3. FHA\VA Approval. Notwithstanding anything herein contained to the contrary, as long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of Common Areas, and amendment of these By-Laws.

ARTICLE XI
MORTGAGES - NOTICES

Section 1. Notice to Board of Directors. Any Owner of any Lot in the Association who mortgages such Lot shall promptly notify the Board of Directors of the name and address of his mortgagee. The Board of Directors shall maintain suitable records pertaining to such mortgagees.

Section 2. Consents. Any provision of these By-Laws to the contrary notwithstanding, the Association shall not, nor shall the members except by consent of two-thirds (2/3) thereof exclusive of the Declarant and the consent of two-thirds (2/3) of all first mortgagees of record, materially modify or amend the provisions of these By-Laws.

Section 3. Definition. As used in this Article, the term "mortgagee" shall mean any mortgagee, and shall not be limited to institutional mortgagees, and the term "Mortgage" shall include a deed of trust. As used generally in these By-Laws, the term "institutional holder" or "institutional Mortgagee" shall include banks, trust companies, insurance companies, savings and loan associations, pension funds and any corporation, including a corporation of, or affiliated with, the United States Government, or any agency thereof.

ARTICLE XII
INTERPRETATION - MISCELLANEOUS

Section 1. Conflict. These By-Laws are subordinate and subject in all respects to the provisions of the Declaration. All of the terms hereof, except where clearly repugnant to the content, shall have the same meaning as in the Declaration. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control. The provisions of the Declaration are incorporated herein by reference.

Section 2. Notices. Unless another type of notice is specifically provided for, herein, any and all notices called for in the Declaration and in these By-Laws shall be given in writing.

Section 3. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 4. Waiver. No restoration, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 5. Captions. The captions and headings contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 6. Gender, Etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, all of the Directors of the Persimmon Hills Improvement Association, Inc., have hereunto set their hands this 12th day of February, 1992.

WITNESS:

Clair R. Rutter
Clair R. Rutter
Clair R. Rutter

J.D. Murray
J.D. MURRAY
Glen C. Haley
GLEN HALEY
Doris M. Logan
DORIS M. LOGAN

STATE OF MARYLAND)
Calvert COUNTY) to wit

I HEREBY CERTIFY that on this 12th day of February, 1992, before me, the subscriber, a Notary Public of the State of Maryland, in and for _____ County, personally appeared J.D. MURRAY, GLEN HALEY, and DORIS M. LOGAN and acknowledged the foregoing By-Laws to be the Corporate act and deed.

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

Clair R. Rutter
NOTARY PUBLIC

My Commission Expires:

10-23-97

Section 5. Captions. The captions and headings contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 6. Gender, Etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, all of the Directors of the Persimmon Hills Improvement Association, Inc., have hereunto set their hands this 12th day of February, 1992.

WITNESS:

Will R. Rutter
Will R. Rutter
Will R. Rutter

J.D. Murray
J.D. MURRAY
Glen C. Haley
GLEN HALEY
Doris M. Logan
DORIS M. LOGAN

STATE OF MARYLAND)
(Calvert COUNTY)) to wit

I HEREBY CERTIFY that on this 12th day of February, 1992, before me, the subscriber, a Notary Public of the State of Maryland, in and for _____ County, personally appeared J.D. MURRAY, GLEN HALEY, and DORIS M. LOGAN and acknowledged the foregoing By-Laws to be the Corporate act and deed.

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

My Commission Expires:

10-23-97

Will R. Rutter
NOTARY PUBLIC

CERTIFICATION

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of the Persimmon Hills Improvement Association, Inc., and;

2. That the foregoing By-Laws constitute the original By-Laws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the 12th day of February, 1992.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation this 12th day of February, 1992.



SECRETARY

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
PERSIMMON HILLS

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
PERSIMMON HILLS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS made this 21st day of November, 1944, by J.D. MURRAY ("Declarant").

INTRODUCTION

1. Declarant is the owner of certain real property known as Persimmon Hills more particularly described in the subdivision plats described in Exhibit "A" attached hereto and made a part hereof (the "Record Plats"), located in St. Mary's County, Maryland, and more particularly described in Exhibit "B" attached hereto and made a part hereof (the "Community").

2. Declarant desires to provide for the preservation and enhancement of property values in the Community, and to this end desires by the execution of this Declaration to subject the Real Property, as hereinafter defined, to the covenants, restrictions, easements and conditions, hereafter set forth, each and all of which is and are for the benefit of the lots within the Community, and the owners thereof, as hereinafter set forth.

3. By a Management and Maintenance Declaration (the "Management and Maintenance Declaration") intended to be recorded with this Declaration, the Declarant has subjected the Community to covenants and has provided for an improvement/homeowner association to maintain and care for certain Improvement Areas and the Stormwater Management Facilities located therein on the Real Property. The Management and Maintenance Declaration is intended to be supplementary to and not in lieu of this Declaration.

NOW, THEREFORE, Declarant hereby declares that all the Real Property, as hereafter defined, shall be subject to the easements, restrictions, covenants, conditions, and liens (sometimes collectively hereafter referred to as "covenants and restrictions") established by this Declaration, as hereafter set forth:

ARTICLE I
Definitions

1.1 Definitions. As used in this Declaration, the following terms shall have the following meanings:

1.2 Declarant. "Declarant" means the Declarant and the Declarant's heirs, personal representatives, his successors or assigns, or any successors or assigns to whom he may assign his rights and duties hereunder, in whole or in part.

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Exhibit A - Record Plats

Exhibit B - Description of Entire Property

1.3 Declaration. "Declaration" means this document, as it may from time to time be amended and does not include the Management and Maintenance Declaration.

1.4 Development Plan. "Development Plan" means any development plan applicable to the Real Property.

1.5 Real Property. "Real Property" means the real property described in the Record Plats.

1.6 Utility or Utilities. "Utility or Utilities" means water, sanitary sewer, natural gas, electricity, telephone service, cable television service, storm drainage, sedimentation and storm water management systems, solid waste collection, street cleaning, snow removal, fire and police protection, and any other utility or other service now or hereafter furnished to the Real Property by any governmental authority, any utility or public service company.

1.7 Other Terms. All other defined terms used in this Declaration shall have the meaning ascribed to them in The Management and Maintenance Declaration.

ARTICLE II
Architectural Control

2.1 Scope of Control. The Declarant shall have the right to approve or disapprove any and all subdivisions, resubdivisions, exterior additions to, changes in, construction, alterations or excavation of any Structure in or upon the Real Property either permanent or temporary. The Declarant shall also have the right to approve or disapprove the location, construction methods, and construction materials for all entrance locations to all Lots, and no construction, reconstruction or alteration of the entrance location to any Lot shall be commenced or permitted to remain on any Lot unless the procedures of this Article have first been complied with by the Lot Owner and prior written approval has been obtained from the Declarant.

2.2 Application for Approval. No Structure shall be commenced, erected, placed, moved onto, or permitted to remain on any Lot, nor shall any existing Structure upon any Lot be altered in a manner which materially changes the exterior appearance thereof, nor shall any new use be commenced on any Lot, unless plans and specifications (including a description of any proposed new use) for such Structure or use shall have been submitted to and approved in writing by the Declarant. Such plans and specifications shall be in such form and shall contain such information, as may be required by Declarant, but in any event shall include (i) a site plan of the Lot showing the nature, exterior color scheme, kind, shape, heights, materials and location with respect to the particular Lot (including proposed front, rear and side set backs) of all Structures, the location thereof with

reference to Structures on adjoining lots and, if required, the number and location of all parking spaces and driveways on the Lot; and (ii) the grading plan for the particular Lot, if required.

2.3 Declarant's Standards. The Declarant shall have the right to disapprove any plans and specifications submitted hereunder in his absolute discretion for any reason whatsoever including, by way of example and not of limitation, the following:

2.3.1 The failure of such plans or specifications to comply with any applicable restriction or covenant;

2.3.2 Failure to include information in such plans and specifications as may have been reasonably requested;

2.3.3 Objection to the exterior design, appearance or materials of any proposed Structure;

2.3.4 Incompatibility of any proposed Structure or use with existing Structures or uses upon the Real Property;

2.3.5 Objection to the location of any proposed Structure on the Real Property;

2.3.6 Objection to any grading and/or landscaping plan;

2.3.7 Objection to the color scheme, finish, proportion, style of architecture, height, bulk or appropriateness of any proposed Structure;

2.3.8 Objection to parking areas, roadways, driveways and walkways proposed for the Real Property on the grounds of (i) incompatibility with existing and/or proposed uses and structures on the Real Property or (ii) insufficiency of capacity in relation to proposed use; or

2.3.9 Any other matter which in the judgment of the Declarant would render the proposed structure, excavation, grading and/or landscaping inharmonious with the general plan of development of the Real Property or with structures or uses located or proposed thereon.

2.4 Disapproval of Plans and Specifications. In any case where the Declarant shall disapprove any plans and specifications submitted hereunder or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be in writing. The decision of the Declarant shall be final and binding.

2.5 Rules and Regulations. The Declarant may promulgate rules governing the form and content of plans and specifications

to be submitted for approval and may issue statements of policy with respect to the granting of approval or disapproval. Such rules and such statements of policy may be amended or revoked by the Declarant at any time, and no inclusion in, omission from, or amendment of any such rule or statement shall be deemed to bind the Declarant to approve or disapprove any feature or matter subject to approval, or to waive the exercise of the Declarant's discretion as to any such matter, but no change or policy shall affect the finality of any approval granted prior to such change. Approval of any plans or specifications shall not be deemed a waiver of the Declarant's right, in his discretion, to disapprove such plans or specifications or any features or elements thereof if such plans, specifications, features or elements are subsequently submitted for use on any other Lot.

2.6 Fees. The Declarant may charge and collect a reasonable fee from any applicant for the examination of any plans and specifications submitted for approval pursuant to this Article, payable at the time such plans and specifications are submitted.

2.7 Declarant's Failure to Approve or Disapprove. In the event that Declarant fails to approve or disapprove, within sixty (60) days after receipt by him, any complete submittal of plans and specifications and the fee as herein provided, such plans and specifications shall be deemed to have been approved, as submitted, and no further action shall be required.

2.8 Enforcement.

2.8.1 Extinguishment of Violation by Owner. If any Structure shall be altered, erected, placed or maintained on the Real Property, or any new use commenced thereon, other than in accordance with approved plans and specifications, such alterations, erection, maintenance or use shall be deemed to have been undertaken in violation hereof, and, upon written notice from the Declarant, any Structure so altered, erected, placed or maintained upon the Real Property in violation hereof shall be removed or realtered by the Owner, and any such use shall be terminated so as to extinguish the violation.

2.8.2 Extinguishment of Violation by Declarant. If within fifteen (15) days after the notice of such violation the Owner of the Lot upon which such violation exists shall not have taken reasonable steps toward the removal or termination or the violation, the Declarant shall have the right, exercisable within thirty (30) days after the expiration of the notice period, through his agents and employees, to enter upon such Lot and take such steps as may be necessary to extinguish such violation and the cost thereof shall be a binding personal obligation of such Owner as well as lien (enforceable in the same manner as a Mortgage) upon the Lot in question. The lien provided for in this Section shall not be valid as against a bona fide purchaser (or bona fide

Mortgagee) of the Lot in question unless a suit to enforce said lien shall have been recorded among the Land Records of St. Mary's County prior to recordation of the deed (or Mortgage) conveying the Lot in question to such bona fide purchaser (or subjecting the same to such Mortgage).

2.9 Certificate of Compliance. Upon completion of the construction or alteration of any Structure in accordance with approved plans and specifications, the Declarant shall, upon written request of the Owner thereof, issue a certificate of compliance in form suitable for recordation identifying the Owner's Lot and stating that the plans and specifications, the location of such Structure or the use or uses to be conducted on the Owner's Lot, have been approved. Preparation and recording of such certificate shall be at the expense of such Owner. Any certificate of compliance issued in accordance with the provisions of this Section shall be prima facie evidence of the facts therein stated, and as to any purchaser or encumbrancer in good faith and for value, or as to any title insurer, such certificate shall be conclusive evidence that all Structures on the Lot in question, and the use or uses described therein comply with the requirements of this Article, and with all other requirements of this Declaration as to which the Declarant exercises any discretionary or interpretive powers.

2.10 Inspection. The Declarant, or any agent of the Declarant, may at any reasonable time or times enter upon and inspect for the purpose of ascertaining whether the maintenance of such property and the maintenance, construction and alteration of Structures thereon are in compliance with the provisions hereof; and neither the Declarant nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

2.11 Delegation of Power. The power hereby vested in Declarant may be delegated by the Declarant in his discretion from time to time to a person or to a committee, appointed, empowered and constituted by him, who shall serve and may be replaced at the pleasure of the Declarant.

ARTICLE III
Use Restrictions

3.1 Detached Dwellings. No dwelling shall be commenced, erected, altered, placed or permitted to remain on any Lot other than one detached dwelling. Each dwelling shall be designed for occupancy by a single family.

Notwithstanding the foregoing, a church and church related facilities may be erected, altered, placed, maintained and permitted to remain on Lot 6 in accordance with the Deed from J. D. Murray to The Vestry of St. John's United Episcopal Church dated

August 4, 1991 and recorded in Book 615, Page 0089 of the Land Records of St. Mary's County, Maryland.

3.2 Development Plan, Zoning, or Subdivision. No Owner of any Lot shall make, apply for or cause to be made any modification or amendment of the Development Plan, nor shall any Owner of any Lot apply for or obtain any zoning reclassification, variance or special exception with respect to any Lot without the prior written consent of the Declarant thereto in each instance thereto. No Lot shall be split, divided or subdivided for sale, resale, gift, transfer or otherwise without prior written consent of Declarant. Notwithstanding the foregoing Declarant shall have the right to alter lot lines between Lots owned by him upon the recordation of any appropriate plat or instrument in the Land Records.

3.3 Temporary Buildings. No temporary building, trailer, garage, tent or building in the course of construction shall be used temporarily or permanently as a dwelling on any Lot.

3.4 Residential Use. All Lots upon the Real Property shall be used for private residential purposes only, except Lot 6 which shall be used as a church and for church related purposes as set forth in the Deed from J. D. Murray to The Vestry of St. John's United Episcopal Church dated August 4, 1991 and recorded in Book 615, Page 0089 of the Land Records of St. Mary's County, Maryland.

3.5 Maintenance of Lot. Each Owner shall keep the Lot owned by the Owner, and all improvements therein or thereon, in good order and repair, including but not limited to, feeding, watering, mowing of all lawns, pruning and cutting of all trees and shrubbery, and painting or other appropriate external care of all buildings and other improvements. Grass and weeds shall not be allowed to exceed twelve inches in height.

3.6 Protection of Environment. No Lot shall be used so as to cause any air, water or noise pollution adversely affecting the Real Property. No Lot shall be used or maintained for boring, mining, quarrying, exploring or removing substances from the earth or in a manner so as to cause any erosion of soil or sediment on the Real Property.

3.7 Exterior Lighting. No exterior lighting on the Lot shall be directed outward from the boundaries of the Lot, and mercury lights may not be used for exterior lighting.

3.8 Utility Structures. No utilities, including but not limited to water pipes, sewer pipes or drainage pipes, poles and wires for the transmission of electricity, telephone and the like shall be placed or maintained above the surface of the ground on any Lot; and no external or outside antennas shall be erected or maintained without prior written approval as provided in Article II hereof.

Each Owner shall be solely responsible for the care and maintenance of sanitary sewer, water, gas, electric, telephone, storm sewer, cable television or other utility conduits or lines that exclusively service each such Owner's dwelling. In the event such conduits or lines are in need of repair and/or replacement and any portions thereof are located in, under and/or through an abutting Lot or property of any abutting Lot Owner, the Owner so repairing and/or replacing such lines shall have the right to enter upon and is hereby granted an easement to enter in and onto the front ten (10) feet of the Lot of an abutting Owner to perform the repair and/or replacement. The Owner so entering shall perform such construction and/or work as promptly as possible and shall take due precautions and care not to damage the Lot and/or property of the abutting Owner and to the extent the abutting Lot and/or property is dug into, displaced and/or dismantled, the Lot and/or property shall, immediately upon the completion of the repair and/or replacement, be restored to the same condition it was prior to such work being commenced by the Lot Owner performing the construction and/or work.

3.9 Rental of Lots. The Owner of any Lot may lease his respective property subject to the following terms and conditions. Any lease between an Owner and a lessee shall be in writing and shall not be for a term of less than six (6) months. The lease shall state that it is subject in all respects to, and that the lessee shall comply with all of the provisions of the Declaration, Articles of Incorporation and the By-Laws, and that failure of the lessee to comply with any of the terms of the aforementioned documents shall be a default under the lease. The lease shall in no way relieve the Owner of any duty or obligation imposed by this Declaration.

3.10 Tree Removal. No tree, having a diameter of six inches or more measured from a point two feet above ground level and located more than ten feet from the perimeter of the dwelling or more than five feet from the edges of the driveway located, or to be located, on the Lot, shall be removed from any Lot without the express written authorization of the Declarant. The Declarant, in his discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wildlife upon the Real Property.

3.11 Exterior Clothes Lines. Permanent exterior clothes lines or dryers and collapsible or retractable clothes lines or dryers shall be erected, installed or maintained on Lots only rearward of the rear of the dwelling.

3.12 Trash Storage and Removal. No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot (other than in an approved structure) except building material during the course of construction or any approved

Structure. Trash or other refuse is to be disposed of by being picked up and carried away on a regularly occurring basis. Containers may be placed in the open on any day that a pickup is to be made at such place on the Lot so as to provide access to persons making such pickup. At all other times, such containers shall be stored in such a manner so that they cannot be seen from adjacent and surrounding property. All procedures for the removal of materials, trash or other refuse shall be as approved or required by St. Mary's County.

3.13 Livestock. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that a maximum of two (2) dogs, cats and other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose. The Declarant may from time to time publish and impose reasonable rules setting forth the type and manner in which such pets that may be kept on any Lot.

3.14 Signs. No sign of any kind (except for customary signs showing street number and name of resident) shall be erected, displayed or maintained on any Lot except one sign not more than nine (9) square feet advertising the Lot for sale or rent. This provision, however, shall not apply to any signs used by the Declarant to advertise the Lots during the construction and sales period. This provision shall also not apply to one (1) sign on Lot 6 identifying the church located thereon; provided, however, that the Owner of Lot 6 has obtained the prior written approval of the Declarant in accordance with the provisions of Article II hereof with respect to any such sign.

3.15 Vehicles. No commercial vehicles, trailers, abandoned or unregistered vehicles, tractors or other vehicles other than private passenger vehicles in regular operation shall be maintained on any Lot. Boats, boat trailers, campers, other trailers, or self contained recreational vehicles may only be maintained on a Lot if stored in such a manner as cannot be seen from the adjacent and surrounding Lots. Vehicles as are permitted to be maintained on any Lot shall be parked or placed only upon driveways, parking pads or garages designed and constructed for such Lot. However, during the construction of improvements upon the Lots and during the sales period, commercial vehicles or trailers may be maintained for construction or sales purposes in areas specifically designated by the Declarant.

3.16 Easement Areas.

3.16.1 Reservation of Easements. Easements and rights-of-ways are hereby expressly reserved to Declarant, his agents, employees and contractors, in, over and under the easement areas of each Lot and roadways as further described on the Record Plat (the "Easement Areas"), for the following purposes: (i) Installing, constructing, reconstructing, maintaining, repairing, operating and inspecting

any Utilities within said Easement Areas and (ii) Ingress and egress to such Easement Areas and the Utilities located therein and installing, operating, maintaining, repairing such Utilities; and (iii) Slope control, including the right to grade and plant slopes and prevent the doing of any activity which might interfere with slope ratios approved by Declarant or which create erosion of sliding problems, or change, obstruct or retard drainage flow. Declarant shall also have the right at the time of, or after, grading the roadways, or any part thereof, to enter upon any abutting Lot and grade the portion of such Lot adjacent to such roadway to a slope of two to one, but there shall be no obligation upon Declarant to do such grading or to maintain such slope. The Declarant further reserves unto himself, the right to grant easements and licenses to any person, firm or corporation, including St. Mary's County, and any public utility company for the construction, installation, maintenance and operation of Utilities in, over, through, upon and across any and all of the Easement Areas and roadways. The Declarant further reserves unto himself the right to dedicate any and all of the roadways to public use. The Declarant and any party for whose benefit these easement provisions are made shall have the right to do whatever may be requisite for the enjoyment of the rights herein granted, including the right of clearing said Easement Areas of timber, trees or shrubs, or any building, fence, structure or paving erected on or laid within the Easement Areas, and no charge, claim or demand may be made against such parties for any or all activities in the exercise of their rights herein granted. Declarant hereby further reserves the right to enter upon any Lot or Lots for the purpose of regrading or otherwise altering the slopes and surfaces of any such Lot so as to improve drainage, in the event that Declarant in his sole discretion, deems such action necessary.

3.16.2 Limitation of Use of Easement Areas. In all Easement Areas, no Structure or planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of Utilities or which may change the directional flow of drainage channels or obstruct or retard the flow of water through drainage channels. The Easement Areas of each Lot and all improvements thereon (except improvements, installations or maintenance for which a public authority or utility company is responsible) shall be maintained by the Owner of the Lot.

3.17 Incinerators. No incinerators or like equipment shall be placed, allowed or maintained upon any Lot. The foregoing shall not be deemed to preclude the use in customary fashion of outdoor residential barbecues or grills.

3.18 Right of Entry for Inspection. In carrying out the provisions hereof, the Declarant and his agents, employees and contractors, may come upon any Lot during reasonable hours for the purposes of inspection and in relation to the enforcement and

administration of the provisions of this Declaration and any rules adopted and promulgated pursuant to the provisions hereof. The Declarant and his agents, employees and contractors, shall not be deemed to have committed a trespass or wrongful act by reason of any such entry or inspection.

3.19 Exceptions. Declarant reserves the right to make exceptions from the operation and effect of the provisions set forth in this Article for the Declarant's construction.

3.20 Conflict With Article II. Except as applied to Declarant's construction, nothing contained in this Article is intended to limit the nature or extent of the provisions of Article II, Architectural Control, or to waive, modify or suggest standards with reference to the requirements thereof. In case of conflict between the provisions of this Article and the provisions of Article II, the provisions of Article II shall prevail.

ARTICLE IV General Provisions

4.1 Applicability. The real property which is, and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in the Fifth Election District of St. Mary's County, State of Maryland, and is shown on the Record Plats entitled "Confirmatory Plat, Persimmon Hills, Section 1, 46 Lots" recorded among the Land Records of St. Mary's County in Liber E.W.A. 36, Folio 5 and "Persimmon Hills, Section 11" recorded among the Land Records of St. Mary's County in Liber 36, Folio 2. Except as may be hereafter provided, the following provisions shall generally apply to the covenants and restrictions established by this Declaration.

4.2 Covenants Running with the Land. The covenants and restrictions of this Declaration shall run with and be binding upon the Real Property.

4.3 Duration. The Real Property shall remain subject to this Declaration until December 31, 1999, unless this Declaration or any portion hereof is specifically released by the Declarant. Any such release must be expressed in writing and recorded among the Land Records of St. Mary's County. No such release shall be deemed to arise by implication. After December 31, 1999, this Declaration shall automatically be extended for successive period of ten (10) years unless and until the then Owners (excluding mortgagees and any other lienors) of a majority of the Lots (casting one vote for each Lot so owned) execute an instrument amending or revoking this Declaration.

4.4 Enforcement. The Declarant and any Lot Owner(s) shall have the right and power to enforce the covenants and restrictions.

Enforcement of the covenants and restrictions shall be by proceedings at law or in equity against any persons, firms or corporations violating or attempting to violate any such covenants or restrictions, either to restrain violation or to recover damages, or both. Any party to a proceeding who succeeds in enforcing a provision or enjoining the violation of a provision against a Lot Owner may be awarded reasonable attorneys' fees against such Lot Owner. In addition, upon breach of any covenant or restriction herein contained, the Declarant shall have the right, upon no less than fifteen (15) days prior written notice sent to the Lot Owner or posted on the Lot, to enter the Lot upon which such violation exists and summarily to abate or remove such violation. Such entrance, abatement or removal shall be at the sole cost and expense of the Lot Owner of the Lot, and the Declarant shall in no event thereby be rendered responsible or liable for any damages or injuries to persons or property thereby resulting.

4.5 Assignment by Declarant. Any or all of the rights and powers (including discretionary powers and rights, and powers of consent and approval) herein reserved by, granted to, or conferred upon the Declarant, may be assigned or transferred by the Declarant, at his election and in his sole discretion, to one or more corporations, associations, committees of individuals agreeing to accept the same, and any such assignment or transfer of such rights and powers may be made by the Declarant as to any part or all of the Real Property. Any such assignment or transfer shall be evidenced by an appropriate instrument duly executed by the Declarant and recorded among the Land Records of St. Mary's County. Upon such recordation, the grantee(s) or transferee(s) of such rights and powers shall have the right to exercise and perform the rights and powers so assigned or transferred by such instrument, subject to any limitations, conditions, reservations and provisions that may be imposed by or set forth in the instrument of assignment or transfer. Such instrument assigning or transferring such rights and powers shall, among other things, provide for future or further assignment or transfer of such rights and powers, to others by the grantee or transferee named therein. No such assignment shall be deemed to arise by implication.

4.6 Limitation of Applicability. Nothing contained in this Declaration shall be construed or implied to bind or apply to any land other than the Real Property.

4.7 Protection of Mortgagees. No violation of any of these covenants and restrictions shall defeat or render invalid the lien of any Mortgage made in good faith and for value upon any Lot(s); provided, however, that any Mortgagee in actual possession, or any purchaser at any Mortgagee's or foreclosure sale shall be bound by and subject to these covenants and restrictions as fully as any other Owner or any other portion of the Real Property.

4.8 Non-Waiver. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

4.9 Interpretation by Declarant. Declarant shall have the right to construe and interpret the provisions of this Declaration, and in the absence of an adjudication by a court of competent jurisdiction to the contrary, his construction or interpretation shall be final and binding as to all persons or property benefitted or bound by the provisions hereof. Any conflict between any construction or interpretation herein provided for and that of any other person or entity entitled to enforce the provisions hereof shall be resolved in favor of the construction or interpretation of Declarant.

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

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

4.12 Acceptance of Deed. Each grantee accepting a deed, lease or other instrument conveying any interest in any Lot, whether or not the same incorporates or refers to these covenants and restrictions, covenants for himself, his heirs, personal representatives, successors and assigns, to observe, perform and be bound by these covenants and restrictions and to incorporate the same by reference in any deed or other instrument of all or any portion of such interest in any Real Property subject hereto.

4.13 Captions and Headings. The captions and headings throughout this Declaration are for convenience and reference only and the words thereof shall in no respect be deemed to define or limit the scope or intent of this Declaration, or in any way to affect any provision of this Declaration.

4.14 Gender and Number. Whenever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter gender; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural and words in the plural shall include the singular.

0958 53385

IN WITNESS WHEREOF, the Declarant has duly executed this Declaration the day and year first above written.

WITNESS:

Avis R. Rutter J.D. Murray
J.D. MURRAY

STATE OF MARYLAND, COUNTY OF Calvert, TO WIT:

I HEREBY CERTIFY that on this 12th day of March, 1995, before me, the subscriber, a Notary Public in and for the State of Maryland, personally appeared J.D. MURRAY, known to me or satisfactorily proven to be the Declarant of the foregoing instrument and further acknowledged the foregoing instrument to be his act and deed.

AS WITNESS my hand and notarial seal.

Avis R. Rutter
NOTARY PUBLIC

My Commission Expires: 6-23-97

CONSENT OF THE OWNER OF LOT NO. 6

The undersigned Owner of Lot No. 6 in Persimmon Hills, Section One, pursuant to a certain Deed dated August 4, 1991, and recorded among the Land Records of St. Mary's County, made by J.D. Murray, Grantor therein, does hereby (i) consent to the terms and conditions of the foregoing Declaration of Covenants, Conditions and Restrictions (the "Declaration/CCR"); and (ii) subject its fee simple interest in and to Lot No. 6 of Persimmon Hills, Section One, thereto; and (iii) declare that Lot No. 6 shall be held, transferred, sold, conveyed and occupied subject to the legal operation and effect of the Declaration/CCR. Notwithstanding any language herein to the contrary, so long as Lot 6 is used for "church" purposes as defined in the Deed from J. D. Murray to The Vestry of St. John's United Episcopal Church as recorded in Book

615, Page 0089 of the Land Records of St. Mary's County, Maryland, the Lot shall not be subject to greater restrictions than set forth in the aforesaid Deed. Sale of Lot 6 for non "church" purposes or reversion to J.D. Murray shall subject Lot 6 to this Declaration/CCR for all purposes.

WITNESS:

The Vestry of St. John's United Episcopal Church, a Maryland religious corporation

Quinn R. Ritter

By: Robert E. Listick

STATE OF MARYLAND, COUNTY OF Salvert, to wit:

I HEREBY CERTIFY, that on this 12th day of March, 1995, before me, the subscriber, a Notary Public of the State aforesaid, personally appeared Robert E. Listick, who acknowledged himself to be the Ward Warden of The Vestry of St. John's United Episcopal Church, and that he as such Ward Warden, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing, in my presence, the name of The Vestry of St. John's United Episcopal Church by himself as Ward Warden

AS WITNESS my hand and Notarial Seal.

Quinn R. Ritter
NOTARY PUBLIC

My Commission Expires: 6-23-97

I HEREBY CERTIFY that this Declaration of Covenants, Conditions and Restrictions was prepared or caused to be prepared by the undersigned, an attorney admitted to practice before the Court of Appeals of Maryland.

Cynthia K. Hitt
CYNTHIA K. HITT

EXHIBIT "A"

Description of the Record Plats of the Community.

1. All that tract of land platted as 92.01 acres, more or less of land more particularly described in the plat entitled "Confirmatory Plat, Persimmon Hills, Section I, 46 Lots" recorded among the Plat Records of St. Mary's County, Maryland in Liber E.W.A. 36, Folio 5.
2. All that tract of land platted as 111.73 acres, more or less of land more particularly described in the plat entitled "Persimmon Hills, Section II" recorded among the Plat Records of St. Mary's County, Maryland in Liber E.W.A. 36, Folio 2.

EXHIBIT "B".

LEGAL DESCRIPTION

Beginning for the same at a point in the northerly right-of-way line of Maryland State Route #5, a variable width right-of-way as shown on SRC Plats #29075 through #29077. Said beginning point being further described as being the most southerly corner of a tract or parcel of land standing in the name of John C. Moreland as recorded among the Land Records of St. Mary's County, Maryland in Liber MRB 136, at Folio 213. Said beginning point being even further described as being the most westerly corner of the herein described. Thence leaving the beginning point so fixed and running and binding on the said Moreland outline the following nineteen courses and distances, (1) North 71 deg. 08' 44" East 226.84 feet to an eighteen inch oak tree. Thence, (2) North 79 deg. 20' 44" East 386.96 feet to an eighteen inch oak tree, thence (3) South 79 deg. 13' 39" East 213.57 feet to a twelve inch beech tree, thence (4) North 66 deg. 43' 54" East 424.67 feet to a twelve inch dead maple, thence (5) South 88 deg. 38' 08" East 348.81 feet to a 36 inch poplar, thence (6) South 65 deg. 13' 07" East 63.91 feet to a 24 inch dead maple, thence (7) North 75 deg. 52' 54" East 208.78 feet to an eighteen inch gum tree, thence (8) North 33 deg. 22' 31" East 187.91 feet to a point in the centerline of a four foot wide stream. Thence running generally with the centerline of said stream the following eleven courses and distances, (9) North 10 deg. 54' 51" East 101.44 feet, (10) North 21 deg. 37' 39" West 165.61 feet, (11) North 05 deg. 38' 20" East 479.37 feet, (12) North 45 deg. 52' 54" East 220.05 feet, thence (13) North 59 deg. 20' 06" East 391.38 feet, (14) North 46 deg. 13' 21" East 147.19 feet, (15) North 18 deg. 32' 04" East 121.50 feet, (16) North 53 deg. 25' 54" East 348.94 feet, (17) North 69 deg. 12' 59" East 217.97 feet, (18) North 09 deg. 33' 11" West 176.63 feet, (19) North 46 deg. 34' 02" East 181.55 feet to a small maple tree in the corner of an old rail and wire fence marking the most southerly corner of a tract or parcel of land now or formerly standing in the name of James Harold Burroughs as recorded in the aforementioned Land Records in Liber MRB 38 at Folio 464. Thence leaving the said Moreland outline and running and binding on said Burroughs outline and with said old fence the following five courses and distances, (20) North 75 deg. 00' 44" East 259.69 feet to an eighteen inch Beech tree, thence (21) North 78 deg. 53' 37" East 190.36 feet to a twenty-four inch beech tree. Thence (22) North 83 deg. 59' 54" East 282.20 feet to a point. Thence (23) North 77 deg. 30' 19" East 179.20 feet to a point. Thence, (24) North 68 deg. 28' 09" East 493.30 feet to a point in the northerly outline of a tract or parcel of land now or formerly standing in the name of Cleopatra Curtis as recorded among the aforementioned Land Records of Liber DBK 206 at Folio 229. Thence leaving the said Burroughs outline and running and binding on the said Curtis outline the following nine courses and distances, (25) South 18 deg. 57' 31" West 158.25 feet to a point. Thence (26) South 42 deg. 46' 46"

West 151.62 feet to a point, Thence (27) South 22 deg. 58' 25" West 90.30 feet to a point, thence (28) South 34 deg. 36' 25" West 269.50 feet to a painted twenty-four inch beech tree, thence (29) South 01 deg. 56' 25" West 271.00 feet to a point. Thence (30) South 13 deg. 37' 35" East 170.40 feet to a point. Thence (31) South 19 deg. 50' 35" East 81.90 feet to a point, thence (32) South 01 deg. 28' 25" West 253.30 feet to a point. Thence (33) South 22 deg. 59' 40" East 176.17 feet to a twenty-four inch oak tree marking a northwesterly corner of a tract or parcel of land now or formerly standing in the name of Norman Taylor as recorded among the aforementioned Land Records in Liber MRB 232 at Folio 61. Thence leaving the said Curtis outline and running and binding on the said Taylor outline and across a fifty foot right-of-way leaving from Maryland State Route #5 through the lands of the herein described to the said Norman Taylor tract. Said right-of-way being recorded among the Land Records of St. Mary's County, Maryland, in Liber DBK 174, at Folio 496, (34) South 09 deg. 24' 22" East 72.33 feet to a point in the southerly right-of-way line of said 50 foot right-of-way. Thence running and binding on said southerly right-of-way line (35) South 58 deg. 41' 02" West 37.87 feet to an iron pipe found. Thence leaving said right-of-way line and running and binding on the said Taylor outline the following twenty-nine courses and distances, (36) South 43 deg. 04' 53" East 2,125.02 feet, (37) North 53 deg. 15' 59" East 151.00 feet, (38) North 30 deg. 13' 59" East 141.00 feet, (39) North 44 deg. 39' 08" East 177.00 feet, (40) North 60 deg. 28' 59" East 115.00 feet, (41) North 43 deg. 22' 59" East 115.00 feet, (42) North 53 deg. 55' 59" East 96.00 feet, (43) North 62 deg. 35' 59" East 80.00 feet, (44) North 37 deg. 00' 59" East 191.00 feet, (45) North 17 deg. 31' 59" East 85.00 feet, (46) North 60 deg. 55' 59" East 126.00 feet, (47) South 84 deg. 25' 01" East 136.00 feet, (48) North 70 deg. 57' 59" East 116.00 feet, (49) North 40 deg. 06' 59" East 165.00 feet, (50) North 45 deg. 21' 59" East 130.00 feet, (51) North 31 deg. 05' 59" East 240.00 feet, (52) North 23 deg. 42' 01" West 133.50 feet, (53) North 58 deg. 40' 59" East 129.40 feet, (54) North 56 deg. 04' 59" East 50.00 feet, (55) North 59 deg. 37' 59" East 194.00 feet, (56) North 58 deg. 32' 59" East 145.00 feet, (57) North 51 deg. 48' 59" East 165.00 feet, (58) North 71 deg. 01' 59" East 76.00 feet, (59) North 50 deg. 02' 59" East 94.00 feet, (60) North 77 deg. 15' 59" East 165.00 feet, (61) North 72 deg. 03' 59" East 203.00 feet, (62) North 75 deg. 02' 59" East 154.00 feet, (63) North 76 deg. 29' 59" East 274.00 feet, (64) North 76 deg. 30' 08" East 172.13 feet to a point marking the most westerly corner of a tract or parcel of land now or formerly standing in the name of Herman Wood as recorded among the aforementioned Land Records in Liber 14, at Folio 129. Thence leaving the said Taylor outline and running and binding on the said Wood outline the following four courses and distances, (65) South 20 deg. 41' 29" West 896.86 feet, (66) South 08 deg. 38' 22" West 722.39 feet, (67) South 22 deg. 04' 25" East 359.81 feet, (68) South 07 deg. 06' 57" East 1,763.27 feet to a point marking the northwesterly corner of a tract or parcel of land now or formerly standing in the name of Effie

Wood as recorded among the aforementioned Land Records in Liber 18 at folio 494. Thence leaving the said Herman Wood outline and running and binding on the said Effie Wood outline of the following seven courses and distances (69) South 48 deg. 37' 26" West 468.00 feet, (70) South 28 deg. 23' 32" West 105.55 feet, (71) South 57 deg. 54' 11" East 182.98 feet, (72) South 27 deg. 22' 32" West 524.33 feet, (73) South 16 deg. 45' 41" West 133.65 feet, (74) South 19 deg 03' 18" East 193.13 feet, (75) South 20 deg. 40' 07" East 213.16 feet to a point in the westerly outline of a tract or parcel of land now or formerly standing in the name of Phillip Long. Thence leaving the said Effie Wood outline and running and binding on the said Long outline the following twelve courses and distances, (76) South 85 deg. 47' 18" West 304.47 feet, (77) South 86 deg. 47' 10" West 934.48 feet, (78) North 37 deg. 53' 57" West 578.57 feet, (79) North 41 deg. 19' 43" West 240.57 feet, (80) North 41 deg. 18' 15" West 231.90 feet, (81) North 46 deg. 49' 26" West 211.89 feet, (82) North 51 deg. 24' 16" West 521.88 feet, (83) North 48 deg. 12' 31" West 40.70 feet, (84) North 48 deg. 35' 23" West 242.09 feet, (85) North 39 deg. 58' 07" West 116.26 feet, (86) North 39 deg. 32' 35" West 279.44 feet, (87) North 61 deg. 30' 36" West 245.73 feet to a point marking the most northerly corner of a tract or parcel of land now or formerly standing in the name of J. Stanton Guy, Thence leaving the said Long outline and running and binding on the said Guy outline the following nine courses and distances, (88) North 89 deg. 46' 58" West 1,548.48 feet, (89) North 86 deg. 39' 48" West 457.07 feet, (90) North 88 deg. 53' 34" West 229.47 feet, (91) North 73 deg. 34' 40" West 291.58 feet (92) North 86 deg. 37' 22" West 211.00 feet, (93) North 87 deg. 17' 22" West 367.00 feet, (94) North 86 deg. 25' 22" West 214.00 feet, (95) South 70 deg. 36' 38" West 190.00 feet, (96) South 77 deg. 30' 38" West 34.06 feet to a point in the aforementioned northerly right-of-way line of Maryland State Route #5. Thence leaving the said Guy parcel and running and binding on the said Maryland State Route #5 right-of-way line the following twelve courses and distances, (97) North 27 deg. 02' 22" West 171.06 feet, (98) North 51 deg. 24' 34" West 150.33 feet, (99) North 71 deg. 49' 24" West 109.66 feet, (100) North 58 deg. 54' 19" West 101.98 feet, (101) North 47 deg. 35' 44" West 950.00 feet, (102) North 28 deg. 18' 20" West 105.94 feet, (103) North 47 deg. 35' 44" West 100.00 feet, (104) North 60 deg. 43' 46" West 154.03 feet, (105) North 47 deg. 35' 44" West 100.00 feet, (106) North 36 deg. 17' 08" West 101.98 feet (107) North 44 deg. 43' 59" West 200.25 feet, (108) North 47 deg. 35' 44" West 27.67 feet to the point and place of beginning containing a total of 552.00 acres, more or less.

Being a portion of a larger tract or parcel of land conveyed unto the C. G. Fox Lumber Company, Inc., a North Carolina Corporation by deed dated May 17, 1954, from the In-Land Sales and Development Corporation as recorded among the Land Records of St. Mary's County, Maryland, in Liber CBG 50 at Folio 253.

Being subject to a fifty foot right-of-way leading from Maryland State Route #5 through the lands of the grantor herein

as recorded among the Land Records of St. Mary's County, Maryland, in Liber DBK 174 at Folio 496 and also being subject to a 100 foot wide SMECO right-of-way easement as recorded among the Land Records of St. Mary's County, Maryland in Liber DBK 156 at Folio 465. Also being subject to all other easements and rights-of-way easement as recorded among the Land Records of St. Mary's County, Maryland.

**MANAGEMENT AND MAINTENANCE DECLARATION
PERSIMMON HILLS IMPROVEMENT ASSOCIATION, INC.**

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EXHIBITS:

A	-	Record Plats
B	-	Property to be Annexed
C	-	Maintenance Requirements

**MANAGEMENT AND MAINTENANCE DECLARATION
PERSIMMON HILLS IMPROVEMENT ASSOCIATION, INC.**

THIS MANAGEMENT AND MAINTENANCE DECLARATION (this "Declaration"), made the 21st day of November, 1994, by J.D. MURRAY (hereinafter referred to as "Declarant").

WITNESSETH:

1. Declarant is the owner of certain real property known as Persimmon Hills more particularly described in the subdivision plats described in Exhibit "A" attached hereto and made a part hereof (the "Record Plats"), located in St. Mary's County, Maryland, and more particularly described in Exhibit "B" attached hereto and made a part hereof (the "Community").

2. By a Declaration of Covenants, Conditions and Restrictions of even date herewith, intended to be recorded with this Declaration, the Declarant has subjected the Community to covenants for the purposes of preserving and enhancing property values and the general scheme of development in the Community by the imposition of architectural control, use restrictions and other covenants. In furtherance of the general scheme of development, this Declaration shall be supplementary to and not in lieu of said Declarations of Covenants.

3. The Declarant has deemed it desirable to create an association to which are delegated and assigned the powers and duties of (i) maintaining and administering certain areas and facilities located in the Community; (ii) administering and enforcing the within covenants and restrictions; and (iii) collecting and disbursing the charges and assessments for the maintenance and administration of such areas and facilities as hereinafter provided.

4. The Declarant has formed Persimmon Hills Improvement Association, Inc., a homeowners association as that term is defined in Title 11B of the Real Property Article, Annotated Code of Maryland, for the purposes of carrying out the powers and duties aforesaid.

NOW, THEREFORE, the Declarant hereby declares that the property described in the Record Plats shall be held, conveyed, hypothecated or encumbered, sold, leased, used and improved subject to the covenants, restrictions, easements, charges and liens (hereinafter sometimes referred to as "covenants" or "restrictions") hereinafter set forth which shall run with the Real Property described herein and be binding upon all parties having any right, title or interest in said Real Property or any part hereof, their heirs, personal representatives, successors and assigns:

BOOK 0003 PAGE 0127
ARTICLE I
DEFINITIONS

Section 1. "Association" means the PERSIMMON HILLS IMPROVEMENT ASSOCIATION, INC., a Maryland non-profit, non-stock corporation, its successors and assigns.

Section 2. "Board" means the Board of Directors of the Association.

Section 3. "Declaration" means this Declaration. This Declaration is the declaration referred to as the "Stormwater Management Facilities Easement and Maintenance Declaration" in the Articles of Incorporation of Persimmon Hills Improvement Association, Inc.

Section 4. "Stormwater Management Facilities" means any stormwater management structures or facilities installed by the Declarant in the Improvement Areas or on the Real Property.

Section 5. "Improvement Areas" means the real property (including the improvements thereon) described on the Record Plats as easement areas, drainage and access easements, utility easements, slope and drainage easements, stormwater easements, stormwater management construction and maintenance easements, owned or maintained by the Association pursuant to this Declaration for the common use and benefit of the Owners.

Section 6. "Member" means every person, group of persons, entity or entities who holds membership in the Association, including the Declarant.

Section 7. "Lot(s)" means any one or more of the numbered Lots numbered 1 through 52 inclusive, 54 through 71, inclusive and 81 through 98 inclusive, and Outparcel B, as shown on the Record Plats of Persimmon Hills.

Section 8. "Mortgage" means a mortgage, deed of trust or other security instrument and "Mortgagee" means a mortgagee, beneficiary, trustee or other holder of any of such instrument as security for the performance of an obligation.

Section 9. "Owner(s)" means the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Real Property, including contract sellers, but excluding Mortgagees.

Section 10. "Real Property" means the real property described in the Record Plats.

Section 11. "Structure(s)" means and refers to (i) any thing or device the placement of which upon any Lot may affect the

appearance of any such Lot, including by way of illustration and not limitation, any building, patio, swimming pool, clothes line, antenna, fence, wall, landscaping, signboard, temporary or permanent living quarters (including any house trailer) or other temporary or permanent improvement to such Lot, (ii) any excavation, ditch, dam or other device which affects or alters the natural flow of surface waters from, upon or across any Lot or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot, and (iii) any change in the grade of any Lot of more than six inches (6") from that existing at the time of purchase by each Owner. Excluded from the above shall be any Structure originally constructed or placed on the Real Property by the Declarant.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessments 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 2. Classes of Voting Membership. 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, and shall be entitled to one (1) vote for each Lot owned. When more than one person hold 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 shall be the Declarant and shall be entitled to three (3) 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 equal the total votes outstanding in the Class B membership, or
- (b) seven (7) years from the date of recordation of this Declaration; PROVIDED, HOWEVER, that if the Declarant is delayed in the improvement and development of the Real Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid seven (7) year period shall be extended by a period of time equal to the length of the delay or three (3) years, whichever is less.

ARTICLE III
ANNEXATION OF ADDITIONAL PROPERTY

Section 1. Property Subject to Declaration. The real property which is, and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in the Fifth Election District of St. Mary's County, State of Maryland, and is shown on the Record Plats entitled "Confirmatory Plat, Persimmon Hills, Section 1, 46 Lots" recorded among the Land Records of St. Mary's County in Liber E.W.A. 36, Folio 5 and "Persimmon Hills, Section 11" recorded among the Land Records of St. Mary's County in Liber 36, Folio 2. No other real property shall be subject to this Declaration until the same is annexed pursuant to the provisions of Section 2 below, it being understood that the Declarant shall have the right to freely develop any real property owned by it and not annexed pursuant to the provisions of Section 2 in any fashion and for any use not prohibited by law or governmental regulation and shall have no obligation to develop any real property not so annexed, in accordance with any other scheme of development or plan.

Section 2. Annexation. The Declarant, without the assent of the Class A members, may annex to the Real Property all or any portion of the additional land located in St. Mary's County and more particularly described on "Exhibit B" attached to this Declaration; PROVIDED, HOWEVER, that in the event any portion of the Real Property has been approved for federally insured mortgage financing purposes by the Federal Housing Administration or the Veterans Administration, then the prior written consent of such approving agency to the annexation shall be required. Additional property outside the boundaries of the land described on Exhibit A may be annexed only with the consent of two-thirds (2/3) of the Class A and Class B members of the Association who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days and not more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. At the first such meeting, the presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called, subject to the notice requirements set forth above, except that notice shall be sent to all members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Any annexations made pursuant to this Article, or otherwise, shall be made by recording an amendment to this Declaration among the Land Records of St. Mary's County, Maryland, which Amendment shall extend the scheme of the within covenants to

such annexed property. Such Amendment may contain such supplementary additions and modifications to the Declaration as may be necessary to reflect the different character or use, if any, of such annexed property.

Section 3. Deannexation. So long as there are any Class B Members, the Declarant may deannex any property from the Property for a period of five (5) years from the date of recordation of this Declaration. Such deannexed property shall no longer be subject to the covenants and restrictions of this Declaration except for any easements, rights, reservations, exemptions, power or privileges reserved to the Declarant pursuant to this Declaration which affect the deannexed property. Such deannexation shall be made by recording a Supplementary Declaration among the Land Records of Baltimore County, Maryland, withdrawing the effect of the covenants and restrictions of this Declaration from the deannexed property. Such deannexed property may be utilized by the Declarant, or any successor, assign or transferee thereof, for any lawful purpose or use.

So long as any Lot is encumbered by a deed of trust or mortgage which is guaranteed by the Veterans Administration, no deannexation shall be made pursuant to this Article, or otherwise, except following a determination by the Veterans Administration that the deannexation is not contrary to a general plan for the development of the community previously approved by the Veterans Administration or, if no such general plan was approved by the Veterans Administration, except following the prior written approval of the Veterans Administration.

ARTICLE IV
COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. The Declarant, for each Lot owned within the Real Property, hereby covenants and agrees, and each Owner of a Lot by acceptance of a deed therefor, whether or not 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 any purpose; such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, late charges, costs of collection, and reasonable attorneys' fees, shall be a charge on the land and shall be a lien upon the Lot against which each such assessment is made, all in accordance with Section 14-201 et seq. of the Real Property Article of the Annotated Code of Maryland. Each such assessment, together with interest, late charges, costs of collection and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot(s) at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used for the following purpose: (a) to pay all administrative, managerial, legal, insurance and any other costs or expenses incurred by the Association in the operation of the Association; (b) for the use, improvement, maintenance, repair, and replacement of the Stormwater Management Facilities and Improvement Areas; (c) to pay for the cost of all utilities or utility services transmitted by or through one or more of the Stormwater Management Facilities and Improvement Areas and not separately metered and billed to each Lot Owner; (d) to pay any expenses of cutting the grass or otherwise maintaining the Stormwater Management Facilities and Improvement Areas whether or not such charges are to be paid by a Lot Owner or by the Association; (e) to provide an adequate reserve for maintenance, repair and replacement of the Stormwater Management Facilities and Improvement Areas; (f) to pay taxes and other governmental charges and assessments on the Stormwater Management Facilities and Improvement Areas, if any; and (g) to promote the health, recreation, and welfare of the residents in the Lots.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Three Hundred Dollars (\$300.00) per Lot per year, which shall be payable monthly, quarterly, semi-annually or annually, as determined by the Board.

From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year in an amount not to exceed ten percent (10%) above the maximum annual assessment allowable for the previous year, the amount of such increase to be determined by the Board.

From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased in an amount exceeding ten percent (10%) by an affirmative 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.

The Board of Directors may fix the annual assessment at an amount not in excess of the maximum without a vote of the membership.

Section 4. Class B Membership Assessment. The Class B Member shall be required to pay twenty-five percent (25%) of the annual assessment due on the Lots it owns and that have been annexed into the Association.

Section 5. Special Assessments. In addition to the annual assessments authorized above, the Association may levy special assessments for the purpose of defraying, in whole or in

part, the cost of any construction, reconstruction, repair or replacement of any Stormwater Management Facility and/or the Improvement Areas, 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 called for this purpose.

Section 6. Notice and Quorum for any Action Authorized under Sections 3 and 5. Written notice of any meeting called for the purpose of taking any action under Article V, Sections 3 or 5 of this Article 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 the votes of each class of membership shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called subject to the same notice requirements set forth above, and the required quorum at any subsequent meeting shall be reduced to 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 7. Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all Lots, except as noted in Section 4 of this Article.

Section 8. Date of Commencement of Annual Assessments. The annual assessments shall commence as to all Lots on a date designated by the Board of Directors; provided, however, that the annual assessments shall commence on a date no later than the date of approval of the Stormwater Management Facilities and release thereof from any maintenance obligations by the appropriate authorities of St. Mary's County. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. 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 amount of annual assessment and the due date thereof shall be sent to every Owner subject thereto. 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 specific Lot have been paid. A properly executed Certificate of the Association as to the status of assessments or a Lot is binding upon the Association as of the date of its issuance.

Section 9. Remedies of the Association for Non-Payment of Assessments. Any assessment not paid within fifteen (15) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum and late charges not exceeding Fifteen Dollars (\$15.00) or one-tenth (1/10th) of the total amount of the delinquent assessment or installment, whichever



is greater, provided the late charge may not be imposed more than once for the same delinquent payment. The Owner shall also be responsible for payment of all costs of collection and reasonable attorneys' fees incurred by the Association as a result of non-payment of the assessment amount. Subject to the provisions of Section 14 of this Article, the Association may bring an action at law against the Owner personally obligated to pay the same, or, establish and foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

Section 10. Notice of Lien. No action shall be brought to establish or foreclose an assessment lien or to proceed under the power of sale herein except in strict accordance with the Maryland Contract Lien Act.

Section 11. Foreclosure. The Declarant, for each Lot owned within the Real Property, hereby covenants, and each Owner of any Lot by acceptance of a deed for a Lot, whether or not so expressed in such deed, is deemed to covenant, agree and authorize the Association to foreclose on any recorded lien in accordance with the procedures relating to the foreclosure of mortgages as prescribed in the Maryland Rules of Procedure, as if the Association were the mortgagee and the Owner were the mortgagor.

Section 12. Curing of Default. In the event the Owner timely cures the default for which a notice of lien was filed, the Association may file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, to be determined by the Association, but not to exceed One Hundred Dollars (\$100.00), to cover the costs of preparing and filing or recording such release.

Section 13. Cumulative Remedies. The assessment lien and the rights to foreclosure sale hereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its successors and assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

Section 14. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any institutional Mortgagee providing purchase money financing in either the form of a single purchase money first mortgage or a combination purchase money first and purchase money second mortgage, such purchase money first and purchase money second mortgage combination designed to facilitate financing due to statutory lending limits which may prohibit financing of first mortgages in excess of certain dollar amounts. Sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payment which became due prior to such sale or transfer. No sale



or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 15. Notice to Mortgagees. Upon request, the Association shall notify the Mortgagee in writing of any first mortgage or any first deeds of trust on any Lot for which the assessment levied pursuant to this Declaration becomes delinquent for a period in excess of sixty (60) days and in any other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days.

ARTICLE V MAINTENANCE

Section 1. Improvement Areas. The Association shall be responsible for the improvement, replacement, reconstruction or care and maintenance of the Improvement Areas, including but not limited to, the maintenance of all Stormwater Management Facilities located or installed thereon.

Section 2. Reservation of Easements. Easements and rights-of-ways are hereby expressly reserved to the Association, in, over and under each Lot for (i) the right of ingress and egress over the Lot to the Improvement Areas and a right-of-way to install, construct, reconstruct, maintain, repair, operate and inspect any improvements, including any Stormwater Management Facilities, within said Improvement Areas; and (ii) for slope control, including grading, regrading, altering and planting slopes and preventing any activity which might interfere with slope ratios or which might create erosion of sliding problems, or might change, obstruct or retard drainage flow affecting the Improvement Areas. The Association, and its agents, employees, and contractors shall have the right to enter upon all parts of each Lot for any of the purposes for which said easements and rights-of-way are reserved, including clearing timber, trees or shrubs, or any Structure erected on or laid within the Improvement Areas. No charge, claim or demand may be made against the Association or such parties for any or all activities in the exercise of the rights herein granted.

Section 3. Limitation on Use of Improvement Areas. In all Improvement Areas, no Structure or planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of improvements therein or which may change the directional flow of drainage channels or Stormwater Management Facilities or obstruct or retard the flow of water through drainage channels or Stormwater Management Facilities. Notwithstanding the powers and duties of the Association specified herein, the Owner of any Lot on which all or any part of an Improvement Area is located shall be responsible for normal and ordinary maintenance, including but not limited to, ordinary grass cutting, in accordance with any requirements of St. Mary's County

and the requirements set forth in Exhibit "C" attached hereto and made a part hereof.

Section 4. Individual Lots. Except as specifically provided herein, the Owner of each Lot shall otherwise be responsible for the care, maintenance, repair and replacement of his Lot, dwelling and all improvements situate thereon, therein and thereunder.

**ARTICLE VI
POWERS AND DUTIES OF THE ASSOCIATION**

Section 1. Limitation on Powers and Duties. The Association shall not have the power and/or the duty to enforce the Declaration of Covenants, Conditions and Restrictions of even date herewith, unless the Association is specially assigned such powers and obligations by the Declarant as provided therein.

Section 2. Additional Powers and Duties. In addition to the powers and duties enumerated in its Articles of Incorporation, and By-Laws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall: (a) maintain, improve, construct, reconstruct (in the event of deterioration or destruction), alter or amend all of the Improvement Areas and all facilities, improvements and landscaping thereon, and all property acquired by the Association, and to pay all the costs thereof as may be required in the Association's sole discretion; (b) maintain such policy or policies of insurance on the Improvement Areas as the Board of Directors of the Association deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its members; and (c) enforce applicable provisions of this Declaration and the By-Laws of the Association and establish and enforce rules and regulations (including imposition of fines for violations thereof) pertaining to the maintenance and use of the Improvement Areas, as may be necessary in the Association's sole discretion.

Section 3. Maintenance of Records. The Association shall maintain adequate books and records and any member, Owner and Mortgagee shall have the right to examine the books and records of the Association during regular business hours and upon reasonable notice.

**ARTICLE VII
GENERAL PROVISIONS**

Section 1. Enforcement. The Association, by and through its Board of Directors, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. In the event the Association institutes legal action to compel

enforcement, it shall be entitled to recover all court costs and reasonable attorneys' fees incurred from the violating Owner. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term until December 31, 1999, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first term by an instrument signed by not less than ninety percent (90%) of the Lot Owners and after the first term, by an instrument signed by not less than seventy-five (75%) percent of the Lot Owners. To be effective, any amendment(s) must be properly recorded among the Land Records. Notwithstanding the foregoing, this Declaration shall not be amended without the written consent of seventy-five percent (75%) of the first Mortgagees and seventy-five percent (75%) of the Lot Owners to permit the Association or the Lot Owners to: (a) by act or omission, seek to abandon or terminate the Association or the provisions of this Declaration relating to Improvement Area maintenance; (b) change the method of determining the obligations or assessments which may be levied against an Owner; (c) by act or omission, seek to abandon, partition, subdivide, encumber, or transfer all or any portion the Improvement Areas, provided, however, that the grant of easements for public utilities or for other public purposes shall not be deemed a transfer within the meaning of this clause; (d) use hazard insurance proceeds for losses to the Improvement Areas for other than the repair, replacement or reconstruction of such improvements in the Improvement Areas, except as provided by statute.

Section 4. FHA/VA Approval. Anything set forth in Section 3 of this Article to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power and authority to modify, revise, amend or change any of the terms or provisions of this Declaration, as from time to time amended or supplemented. This unilateral right, power and authority of the Declarant may be exercised only if either the Veterans Administration or the Federal Housing Administration or any successor agencies thereto or any one or more other Federal, state or local government agencies shall require such action as a condition precedent to the approval by such agency, of the Properties or any part thereof or any Lots thereon, for Federally approved mortgage financing purposes under applicable Veterans Administration, Federal Housing Administration or similar programs. If the Veterans Administration or any successor agencies approve

the Properties or any parts thereof or any Lots thereon for Federally approved mortgage financing purposes, thereafter any amendments to the Declaration made during any period of time when there are Class B members shall also require the prior consent of the agency giving such approval.

IN WITNESS WHEREOF the Declarant has duly executed this Declaration the day and year first above written.

WITNESS:

Miss R. Rutter J.D. Murray
J.D. Murray

STATE OF Maryland, CITY/COUNTY OF Calvert, TO WIT:

I HEREBY CERTIFY, that on this 12th day of March, 1995, before me, personally appeared J.D. MURRAY known to me (or satisfactorily proven) to be the person described in the foregoing instrument, and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

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

Miss R. Rutter (SEAL)
NOTARY PUBLIC

My Commission Expires:

6-23-95

CONSENT OF THE OWNER OF LOT NO. 6

The undersigned Owner of Lot No. 6 in Persimmon Hills, Section One, pursuant to a certain Deed dated August 4, 1991, and recorded among the Land Records of St. Mary's County, made by J.D. Murray, Grantor therein, do hereby (i) consent to the terms and conditions of the Management and Maintenance Declaration (the "Maintenance Declaration"); and (ii) subject its fee simple interest in and to Lot No. 6 of Persimmon Hills, Section One; and (iii) declare that Lot No. 6 shall be held, transferred, sold, conveyed and occupied subject to the legal operation and effect of the Maintenance Declaration. Notwithstanding any language herein to the contrary, the Owner of Lot 6 shall not be a member of the Association created in the Maintenance Declaration, nor shall Lot 6 be subject to greater restrictions than set forth in the Deed from J.D. Murray to The Vestry of St. John's United Episcopal Church as recorded in Book 615, Page 0089 of the Land Records of St. Mary's County,

Maryland. Nonetheless, this Consent signifies that the Owner of Lot 6 shall share in the expenses relating to the Stormwater Management Structures serving the Persimmon Hills Subdivision provided, however, such financial obligation is limited to its prorata share. Should Lot 6 revert to J.D. Murray, or should Lot 6 be sold for non "church" purposes, then Lot 6 shall be subject to all of the terms and conditions of the Maintenance Declaration for all purposes.

WITNESS:

The Vestry of St. John's United Episcopal Church, a Maryland religious corporation

Wm. R. Rutter

By: Robert E. Justice

STATE OF MARYLAND, COUNTY OF Talbot, to wit:

I HEREBY CERTIFY, that on this 12th day of March, 1995, before me, the subscriber, a Notary Public of the State aforesaid, personally appeared Robert E. Justice, who acknowledged himself to be the Lead Warden of The Vestry of St. John's United Episcopal Church, and that he as such Lead Warden, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing, in my presence, the name of The Vestry of St. John's United Episcopal Church by himself as Lead Warden.

AS WITNESS my hand and Notarial Seal.

Wm. R. Rutter
Notary Public

My Commission Expires: 6-23-97



I HEREBY CERTIFY that this Declaration was prepared or caused to be prepared by the undersigned, an attorney admitted to practice before the Court of Appeals of Maryland.

Cynthia K. Hitt
CYNTHIA K. HITT

EXHIBIT "A"

Description of the Record Plats of the Community.

1. All that tract of land platted as 92.01 acres, more or less of land more particularly described in the plat entitled "Confirmatory Plat, Persimmon Hills, Section I, 46 Lots" recorded among the Plat Records of St. Mary's County, Maryland in Liber E.W.A. 36, Folio 5.
2. All that tract of land platted as 111.73 acres, more or less of land more particularly described in the plat entitled "Persimmon Hills, Section II" recorded among the Plat Records of St. Mary's County, Maryland in Liber E.W.A. 36, Folio 2.

LEGAL DESCRIPTION

Beginning for the same at a point in the northerly right-of-way line of Maryland State Route #5, a variable width right-of-way as shown on SRC Plats #29075 through #29077. Said beginning point being further described as being the most southerly corner of a tract or parcel of land standing in the name of John C. Moreland as recorded among the Land Records of St. Mary's County, Maryland in Liber MRB 136, at Folio 213. Said beginning point being even further described as being the most westerly corner of the herein described. Thence leaving the beginning point so fixed and running and binding on the said Moreland outline the following nineteen courses and distances, (1) North 71 deg. 08' 44" East 226.84 feet to an eighteen inch oak tree. Thence, (2) North 79 deg. 20' 44" East 386.96 feet to an eighteen inch oak tree, thence (3) South 79 deg. 13' 39" East 213.57 feet to a twelve inch beech tree, thence (4) North 66 deg. 43' 54" East 424.67 feet to a twelve inch dead maple, thence (5) South 88 deg. 38' 08" East 348.81 feet to a 36 inch poplar, thence (6) South 65 deg. 13' 07" East 63.91 feet to a 24 inch dead maple, thence (7) North 75 deg. 52' 54" East 208.78 feet to an eighteen inch gum tree, thence (8) North 33 deg. 22' 31" East 187.91 feet to a point in the centerline of a four foot wide stream. Thence running generally with the centerline of said stream the following eleven courses and distances, (9) North 10 deg. 54' 51" East 101.44 feet, (10) North 21 deg. 37' 39" West 165.61 feet, (11) North 05 deg. 38' 20" East 479.37 feet, (12) North 45 deg. 52' 54" East 220.05 feet, thence (13) North 59 deg. 20' 06" East 391.38 feet, (14) North 46 deg. 13' 21" East 147.19 feet, (15) North 18 deg. 32' 04" East 121.50 feet, (16) North 53 deg. 25' 54" East 348.94 feet, (17) North 69 deg. 12' 59" East 217.97 feet, (18) North 09 deg. 33' 11" West 176.63 feet, (19) North 46 deg. 34' 02" East 181.55 feet to a small maple tree in the corner of an old rail and wire fence marking the most southerly corner of a tract or parcel of land now or formerly standing in the name of James Harold Burroughs as recorded in the aforementioned Land Records in Liber MRB 38 at Folio 464. Thence leaving the said Moreland outline and running and binding on said Burroughs outline and with said old fence the following five courses and distances, (20) North 75 deg. 00' 44" East 259.69 feet to an eighteen inch Beech tree, thence (21) North 78 deg. 53' 37" East 190.36 feet to a twenty-four inch beech tree. Thence (22) North 83 deg. 59' 54" East 282.20 feet to a point. Thence (23) North 77 deg. 30' 19" East 179.20 feet to a point. Thence, (24) North 68 deg. 28' 09" East 493.30 feet to a point in the northerly outline of a tract or parcel of land now or formerly standing in the name of Cleopatra Curtis as recorded among the aforementioned Land Records of Liber DBK 206 at Folio 229. Thence leaving the said Burroughs outline and running and binding on the said Curtis outline the following nine courses and distances, (25) South 18 deg. 57' 31" West 158.25 feet to a point. Thence (26) South 42 deg. 46' 46"

West 151.62 feet to a point, Thence (27) South 22 deg. 58' 25"
West 90.30 feet to a point, thence (28) South 34 deg. 36' 25"
West 269.50 feet to a painted twenty-four inch beech tree,
thence (29) South 01 deg. 56' 25" West 271.00 feet to a point.
Thence (30) South 13 deg. 37' 35" East 170.40 feet to a point.
Thence (31) South 19 deg. 50' 35" East 81.90 feet to a point,
thence (32) South 01 deg. 28' 25" West 253.30 feet to a point.
Thence (33) South 22 deg. 59' 40" East 176.17 feet to a twenty-
four inch oak tree marking a northwesterly corner of a tract or
parcel of land now or formerly standing in the name of Norman
Taylor as recorded among the aforementioned Land Records in
Liber MRB 232 at Folio 61. Thence leaving the said Curtis
outline and running and binding on the said Taylor outline and
across a fifty foot right-of-way leaving from Maryland State
Route #5 through the lands of the herein described to the said
Norman Taylor tract. Said right-of-way being recorded among the
Land Records of St. Mary's County, Maryland, in Liber DBK 174,
at Folio 496, (34) South 09 deg. 24' 22" East 72.33 feet to a
point in the Southerly right-of-way line of said 50 foot right-
of-way. Thence running and binding on said southerly right-of-
way line (35) South 58 deg. 41' 02" West 37.87 feet to an iron
pipe found. Thence leaving said right-of-way line and running
and binding on the said Taylor outline the following twenty-nine
courses and distances, (36) South 43 deg. 04' 53" East 2,125.02
feet, (37) North 53 deg. 15' 59" East 151.00 feet, (38) North 30
deg. 13' 59" East 141.00 feet, (39) North 44 deg. 39' 08" East
177.00 feet, (40) North 60 deg. 28' 59" East 115.00 feet, (41)
North 43 deg. 22' 59" East 115.00 feet, (42) North 53 deg. 55'
59" East 96.00 feet, (43) North 62 deg. 35' 59" East 80.00 feet,
(44) North 37 deg. 00' 59" East 191.00 feet, (45) North 17 deg.
31' 59" East 85.00 feet, (46) North 60 deg. 55' 59" East 126.00
feet, (47) South 84 deg. 25' 01" East 136.00 feet, (48) North 70
deg. 57' 59" East 116.00 feet, (49) North 40 deg. 06' 59" East
165.00 feet, (50) North 45 deg. 21' 59" East 130.00 feet, (51)
North 31 deg. 05' 59" East 240.00 feet, (52) North 23 deg. 42'
01" West 133.50 feet, (53) North 58 deg. 40' 59" East 129.40
feet, (54) North 56 deg. 04' 59" East 50.00 feet, (55) North 59
deg. 37' 59" East 194.00 feet, (56) North 58 deg. 32' 59" East
145.00 feet, (57) North 51 deg. 48' 59" East 165.00 feet, (58)
North 71 deg. 01' 59" East 76.00 feet, (59) North 50 deg. 02'
59" East 94.00 feet, (60) North 77 deg. 15' 59" 165.00 feet,
(61) North 72 deg. 03' 59" East 203.00 feet, (62) North 75 deg.
02' 59" East 154.00 feet, (63) North 76 deg. 29' 59" East
274.00 feet, (64) North 76 deg. 30' 08" East 172.13 feet to a
point marking the most westerly corner of a tract or parcel of
land now or formerly standing in the name of Herman Wood as
recorded among the aforementioned Land Records in Liber 14, at
Folio 129. Thence leaving the said Taylor outline and running
and binding on the said Wood outline the following four courses
and distances, (65) South 20 deg. 41' 29" West 896.86 feet, (66)
South 08 deg. 38' 22" West 722.39 feet, (67) South 22 deg. 04'
25" East 359.81 feet, (68) South 07 deg. 06' 57" East 1,763.27
feet to a point marking the northwesterly corner of a tract or
parcel of land now or formerly standing in the name of Effie

Wood as recorded among the aforementioned Land Records in Liber 18 at folio 494. Thence leaving the said Herman Wood outline and running and binding on the said Effie Wood outline of the following seven courses and distances (69) South 48 deg. 37' 26" West 468.00 feet, (70) South 28 deg. 23' 32" West 105.55 feet, (71) South 57 deg. 54' 11" East 182.98 feet, (72) South 27 deg. 22' 32" West 524.33 feet, (73) South 16 deg. 45' 41" West 133.65 feet, (74) South 19 deg 03' 18" East 193.13 feet, (75) South 20 deg. 40' 07" East 213.16 feet to a point in the westerly outline of a tract or parcel of land now or formerly standing in the name of Phillip Long. Thence leaving the said Effie Wood outline and running and binding on the said Long outline the following twelve courses and distances, (76) South 85 deg. 47' 18" West 304.47 feet, (77) South 86 deg. 47' 10" West 934.48 feet, (78) North 37 deg. 53' 57" West 578.57 feet, (79) North 41 deg. 19' 43" West 240.57 feet, (80) North 41 deg. 18' 15" West 231.90 feet, (81) North 46 deg. 49' 26" West 211.89 feet, (82) North 51 deg. 24' 16" West 521.88 feet, (83) North 48 deg. 12' 31" West 40.70 feet, (84) North 48 deg. 35' 23" West 242.09 feet, (85) North 39 deg. 58' 07" West 116.26 feet, (86) North 39 deg. 32' 35" West 279.44 feet, (87) North 61 deg. 30' 36" West 245.73 feet to a point marking the most northerly corner of a tract or parcel of land now or formerly standing in the name of J. Stanton Guy, Thence leaving the said Long outline and running and binding on the said Guy outline the following nine courses and distances, (88) North 89 deg. 46' 58" West 1,548.48 feet, (89) North 86 deg. 39' 48" West 457.07 feet, (90) North 88 deg. 53' 34" West 229.47 feet, (91) North 73 deg. 34' 40" West 291.58 feet (92) North 86 deg. 37' 22" West 211.00 feet, (93) North 87 deg. 17' 22" West 367.00 feet, (94) North 86 deg. 25' 22" West 214.00 feet, (95) South 70 deg. 36' 38" West 190.00 feet, (96) South 77 deg. 30' 38" West 34.06 feet to a point in the aforementioned northerly right-of-way line of Maryland State Route #5. Thence leaving the said Guy parcel and running and binding on the said Maryland State Route #5 right-of-way line the following twelve courses and distances, (97) North 27 deg. 02' 22" West 171.06 feet, (98) North 51 deg. 24' 34" West 150.33 feet, (99) North 71 deg. 49' 24" West 109.66 feet, (100) North 58 deg. 54' 19" West 101.98 feet, (101) North 47 deg. 35' 44" West 950.00 feet, (102) North 28 deg. 18' 20" West 105.94 feet, (103) North 47 deg. 35' 44" West 100.00 feet, (104) North 60 deg. 43' 46" West 154.03 feet, (105) North 47 deg. 35' 44" West 100.00 feet, (106) North 36 deg. 17' 08" West 101.98 feet (107) North 44 deg. 43' 59" West 200.25 feet, (108) North 47 deg. 35' 44" West 27.67 feet to the point and place of beginning containing a total of 552.00 acres, more or less.

Being a portion of a larger tract or parcel of land conveyed unto the C. G. Fox Lumber Company, Inc., a North Carolina Corporation by deed dated May 17, 1954, from the In-Land Sales and Development Corporation as recorded among the Land Records of St. Mary's County, Maryland, in Liber CBG 50 at Folio 253.

Being subject to a fifty foot right-of-way leading from Maryland State Route #5 through the lands of the grantor herein

as recorded among the Land Records of St. Mary's County, Maryland, in Liber DBK 174 at Folio 496 and also being subject to a 100 foot wide SMECO right-of-way easement as recorded among the Land Records of St. Mary's County, Maryland in Liber DBK 156 at Folio 465. Also being subject to all other easements and rights-of-way easement as recorded among the Land Records of St. Mary's County, Maryland.

~~SAVING AND WITHOUT PREJUDICE~~ all of the above property described in Exhibit "A" hereto already subjected to the foregoing Management and Maintenance Declaration.

EXHIBIT "C"

1. The OWNER(S) covenants and agrees that OWNER shall provide for the maintenance of the stormwater management facility to ensure that the facility is and remains in proper working condition in accordance with approved design standards, rules and regulations, and applicable laws. The OWNER(S) shall perform the following as part of regular maintenance:
 - a. Routine inspection of trench surface, underground portion of trench (via the 4" observation well), and grass buffers in spring (April) and Fall (September) and after each major storm.
 - b. Grass buffers to be mowed once (minimum) each month between April and September.
 - c. Rehabilitate trench surface when ponding becomes evident.
 - d. Rehabilitate underground trenches when trench fails to drain in three (3) days.
 - e. Maintenance of stormwater facilities shall be in accordance with the Inspection and Maintenance Agreement with St. Mary's County for Private Stormwater Management Facilities and shall be the responsibility of the OWNER(S) and/or his successors and assignees.
 - f. Trench and swale maintenance, such as grass cutting and debris removal shall be the responsibility of the OWNER(S). OWNER(S) shall discourage the off-road parking along swale areas, especially during wet periods when the swale grasses and underlying soils are most vulnerable to damage. The OWNER(S) is not to remove the check or trench dams. Such activities can alter the drainage configuration of the swale area and kill the vegetation that stabilizes it and provides natural treatment of runoff.
 - g. After grass has become established in grass lined channels, the mowing of the channel should not damage the grass. Permanent channels shall be mowed periodically to maintain their capacity.
 - h. If sediment is deposited in the stormwater management facility it shall be removed promptly to prevent damage to the facility.

RETURN TO:

NAME: Bay Mills Coast. Co.ADDRESS: Box 42AQUINCY, MD. 20736



EXHIBIT "C"

1. The OWNER(S) covenants and agrees that OWNER shall provide for the maintenance of the stormwater management facility to ensure that the facility is and remains in proper working condition in accordance with approved design standards, rules and regulations, and applicable laws. The OWNER(S) shall perform the following as part of regular maintenance:
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 - c. Rehabilitate trench surface when ponding becomes evident.
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 - e. Maintenance of stormwater facilities shall be in accordance with the Inspection and Maintenance Agreement with St. Mary's County for Private Stormwater Management Facilities and shall be the responsibility of the OWNER(S) and/or his successors and assignees.
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 - g. After grass has become established in grass lined channels, the mowing of the channel should not damage the grass. Permanent channels shall be mowed periodically to maintain their capacity.
 - h. If sediment is deposited in the stormwater management facility it shall be removed promptly to prevent damage to the facility.

RETURN TO:

NAME: RAYMOND COUST. Co.ADDRESS: Box 42AOWINGS, MD. 20736



AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

PERSIMMON HILLS IMPROVEMENT ASSOCIATION, INC.

WHEREAS, Article VIII, Section 10, to the Bylaws of the Persimmon Hills Improvement Association, Inc., the Declarations may be amended by a vote of its Board of Directors. Such promulgation of rules and decisions implementing and supplementing said restrictions and such rules have the same force and effect as if they were incorporated into the Declaration and,

WHEREAS, upon an affirmative vote of the Persimmon Hills Improvement Association, Inc., Board of Directors, at the annual meeting on April 17, 2002, on matters relating to amendments to the Declaration of Covenants, Conditions and Restrictions presently filed among the Land Records of Saint Mary's County at Liber 0958, Folio 37, and

NOW THEREFORE, it is decreed, on this 3rd day of November, 2002, that the Declaration of Covenants, Conditions and Restrictions for the Persimmon Hills Improvement Association, Inc., is supplemented as follows:

IMP FD SURE \$	5.00
RECORDING FEE	20.00
TOTAL	25.00
8888 3442	Rcpt # 52000
EWA LP	Blk # 1786
Nov 17, 2002	10:11 am

Each owner, person, tenant or guest is prohibited from emitting noise levels exceeding 65 dBA between the hours of 7:00 a.m. and 10:00 p.m. or 55 dBA between the hours of 10:00 p.m. and 7:00 a.m. on the property. Typically, dirt bikes, all terrain 4-wheel vehicles, motor cycles and vehicles without sufficient exhaust that are in operation closer than 300 to 400 feet from a lot owner's property will generate a violation. Lawn equipment used to maintain the lots are specifically excluded, provided, said equipment is not used prior to 7:00 a.m.

IN WITNESS WHEREOF, the Board has duly executed this Amendment to Declaration of Covenants, Conditions and Restrictions on this 3rd day of November, 2002.

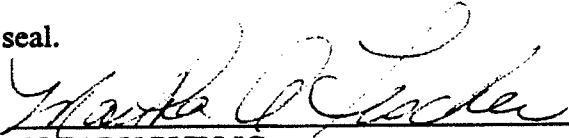
Rebecca F. Fischer
Witness

Gary Stuy
Secretary
Persimmon Hills Improvement Association, Inc.

STATE OF MARYLAND, COUNTY OF SAINT MARY'S, TO WIT:

I HEREBY CERTIFY that on this 7th day of November, 2002, before me, the subscriber, a Notary Public in and for the State of Maryland, personally appeared DAVE GUY, known to me or satisfactorily proven to be the Declarant of the foregoing instrument and further acknowledged the foregoing instrument to be their voluntary act and deed.


AS WITNESS my hand and notarial seal.



NOTARY PUBLIC

My Commission Expires: 7/2004

I HEREBY CERTIFY that this Amendment to Declaration of Covenants, Conditions and Restrictions was prepared or caused to be prepared by the undersigned, an attorney admitted to practice before the Court of Appeals of Maryland.



Sandra L. Strissel