

SECTION III

DECLARATION OF COVENANTS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR THE COMMON AREAS OF THE MONTPELIER COMMUNITY ASSOCIATION, INC.

Last revision: January 1998

Montpelier Community Association, Inc.
PO Box 2503
Laurel, Maryland 20709
301-490-6480

PREAMBLE

THIS Declaration, made on this first day of January, 1998 by the Montpelier Community Association, Inc., hereinafter referred to as Association,

WHEREAS, the Association is a group of owners of real property, hereinafter referred to as Common Areas, in Prince George's County in the State of Maryland, as shown on the Deed of Trust, duly recorded in Prince George's County, on December 1, 1967 at Liber 3545, Folio 508, and described in Exhibit "A" of this Declaration; and

WHEREAS, the Association owns, operates, and maintains recreational facilities on the aforesaid Common Areas for the Association's benefit and enjoyment; and

WHEREAS, the Association has been created as a non-stock corporation under the laws of the State of Maryland to administer and maintain the aforesaid facilities, and to administer and enforce the covenants and restrictions hereinafter created;

NOW THEREFORE, the following covenants, restrictions and easements shall run with the land and each Lot shown on the aforesaid subdivision plats for a period of 10 years from the date hereof, and shall be automatically extended for successive periods of 10 years each unless this Declaration is amended in whole or in part by the affirmative vote of two-thirds (2/3) of the members voting in person or by other signed instrument, one vote per Lot, at a meeting of the Association as provided for in the Bylaws.

ARTICLE I: DEFINITIONS

Section 1.

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

- a. "Association" shall mean and refer to the Montpelier Community Association, Inc.
- b. "Board of Trustees" shall mean that group of elected members to whom some or all of the powers of the Association have been delegated under this Declaration or the Bylaws.
- c. "Bylaws" shall mean and refer to the Bylaws of the Association.
- d. "Common Areas" shall mean and refer to those areas of lands shown on any recorded subdivision plats of the Properties recorded and intended to be devoted to the common use and enjoyment of the members of the Association as herein defined, rather than dedicated for use by the general public.
- e. "Declaration" shall mean and refer to declarations of covenants, restrictions, easements, amendments and supplements thereto applicable to the Lots and Common Areas.
- f. "Developer" shall mean and refer to Levitt and Sons, Inc.
- g. "Lot" shall mean and refer to any plot of land specified in the Declaration that is subdivided for residential use on which a dwelling is located.
- h. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1, hereof.
- i. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

- j. "The Properties" shall mean and refer to all such existing properties and additions thereto, both Lots and Common Areas, as are subject to this Declaration or any Supplemental Declaration under the provisions of Article II hereof.
- k. "Secretary" shall mean and refer to the secretary of the Association.

ARTICLE II: PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Real Property.

The real property which is, and shall be, held, transferred, sold, conveyed, and occupied is located in Prince George's County, Maryland, and is more fully described in Exhibit "A", attached hereto and forming a part hereof, all of which property shall hereinafter be referred to as the Common Areas.

Section 2. Facilities.

All buildings, recreation facilities and other improvements located in the Common Areas as of the date hereof, or to be located in the future, are subject to this Declaration.

Section 3. Additions To Real Property.

Additional lands may become subject to this Declaration in the following manner: Upon approval in writing of the Association pursuant to a vote of its Members, the owner of any property who desires to add to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file a record of supplemental Declaration of covenants and restrictions. Such supplemental Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such supplemental Declaration revoke, modify, or add to the covenants established by this Declaration within The Properties.

ARTICLE III: MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership.

Every person or entity who is an Owner (as defined in Article I) of any Lot which is subject to this Declaration and assessment by the Association shall be a Member of the Association.

Section 2. Voting Rights.

The Association shall have one class of voting membership. Members shall be entitled to one vote for each Lot in which they hold the interests required for membership by Section 1. When more than one person or entity holds such interest or interests in any Lot, all such persons or entities shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to such Lot.

ARTICLE IV: PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Members' Easement of Enjoyment.

Subject to the provisions of Section 3 of this Article IV, every Member shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Title to the Common Areas.

The Association has title to the Common Areas. The following covenants and conditions shall be deemed to run with the land and shall be binding upon the Association, its successors and assigns:

The Common Areas shall be used exclusively for non-profit recreational purposes, and uses incident thereto.

In order to enhance and preserve the property values and amenities of the community, the Common Areas and all facilities now or hereafter installed thereon shall at all times be maintained in good repair and condition and shall be operated in accordance with high standards. Further, it shall be an express affirmative obligation of the Association to keep the swimming pool, and facilities appurtenant thereto, open, adequately staffed and operating during those months and during such hours as outdoor swimming pools are normally in operation in this locality.

Section 3. Extent of Members' Easements.

The rights and easements of enjoyment created hereby shall be subject to the following:

- a. The right of the Association in accordance with its Article of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage said Common Areas. However, at any given time the total amount of the unpaid debts (including loans) incurred by the Association shall not exceed the total of the maximum annual assessments that may be levied for that year pursuant to this Declaration. In the event of a default under any such mortgage the lender shall have a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of such properties to a wider public (subject to the applicable zoning laws and other governmental regulations) until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored; and
- b. The right of the Association to take such steps as are reasonably necessary to protect the above described properties against foreclosure; and
- c. The right of the Association, as provided by its Bylaws, to suspend the use, enjoyment, and voting rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and
- d. The right of the Association to dedicate or transfer all or any part of the Common Areas to an appropriate governmental body, agency, or authority, to be devoted to purposes as nearly as practicable the same as those to which said Common Areas are hereby required to be devoted by the Association, provided that no such dedication or transfer shall be effective unless an instrument signed by the Members entitled to cast three-fourths (3/4) of the votes of the membership has been recorded, agreeing to such dedication or transfer and unless written notice

of the proposed agreement and action thereunder is sent to every Member at least sixty (60) days in advance of any action taken; and

- e. The right of the Association to grant and reserve easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of municipal, public or private water, sewer, drainage and other utilities.

ARTICLE V: COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Developer created covenants and restrictions for each Lot owned within Montpelier. Each current and subsequent Owner of such Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association:

- a. annual assessments and charges; and
- b. special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. All assessments, both annual and special, shall be uniform as to each Lot and, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments.

The assessments levied by the Association shall be used for the management, operation, improvement, and maintenance of the common areas and for the use and enjoyment thereof by the Members of the Association and their guests, and for the operating expenses of the Association.

Section 3. Basis and Maximum of Annual Assessments.

It shall be an affirmative obligation of the Board of Trustees of the Association, after consideration of current maintenance costs and future needs of the Association, to fix the actual assessment for any year at an amount sufficient to maintain and operate the Common Areas and facilities in accordance with the standards set forth in Section 2 (b) of Article IV. The maximum annual assessment allowed is set at \$325.00. Effective 1 January 2002, the annual assessment is set at \$225.00. Thereafter the Board may raise the annual assessment not to exceed 5% per year until the maximum cap is reached.

Section 4. Special Assessment for Capital Improvements.

In addition to the annual assessments authorized by Section 3 of this Article V, the Association may levy in any assessment year a uniform special assessment applicable to that year only, in an amount no higher than the maximum annual assessment then permitted to be levied hereunder, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of all Members 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 at least thirty (30) days in advance and which shall set forth the purpose of the meeting.

Section 5. Change in Basis and Maximum Of Annual Assessments.

Subject to the limitations of Section 3 of this Article V, the Association may change the maximum and basis of the assessments fixed by Section 3 hereof prospectively, provided that any such change shall have the assent of two-thirds (2/3) of the votes of the Members 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 at least thirty (30) days in advance and which shall set forth the purpose of the meeting.

Section 6. Quorum for Any Action Authorized Under Sections 4 and 5.

The quorum required for any action authorized by Sections 4 and 5 of this Article 5, shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 of this Article V, the presence at the meeting of Members or proxies, entitled to cast sixty (60) per cent of all the votes of the membership, shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that such subsequent meeting shall not be held more than sixty (60) days following the preceding meeting.

Section 7. Due Date of Annual and Special Assessments.

The assessments for any calendar year shall become due and payable on the first day of March of said year. The due date of any Special Assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Trustees.

The Board of Trustees of the Association shall fix the amount of the assessment period at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-Payment Of Assessment: the Personal Obligation of the Owner; the Lien; Remedies of the Association.

If any assessment is not paid on the date when due (being the date specified by Section 7 hereof), then such assessment shall be deemed delinquent and shall, together with such interest thereon and cost of collection thereof as are hereinafter provided, thereupon become a continuing lien on the Lot which shall bind such Lot in the hands of the then Owner, his heirs, devisees, personal representatives, successors,

and assigns. The personal obligations of the then Owner to pay such assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest at the rate of twelve per cent (12%) per annum, and the Association may bring legal action against the Owner personally obligated to pay the same or may enforce or foreclose the lien against the property; and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of this action.

Section 10. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment except as otherwise may be provided now or in the future by provisions of law; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a degree of foreclosures, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of such subsequent assessment.

Section 11. Exempt Property.

The following properties subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all properties dedicated to and accepted by a governmental body, agency, or authority, and committed to public use; and (b) all Common Areas as defined in Article I, Section 1 hereof.

ARTICLE VI: GENERAL PROVISIONS

Section 1. Notices.

Any notice required to be sent to any Member or Owner under the provisions of the Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 2. Enforcement.

Enforcement of these covenants and restrictions shall be by proceeding at law or in equity in accordance with procedures established by the Bylaws as administered by the Board of Trustees of the Association, or by the Owner of any Lot, against any person or persons or entity violating or attempting to violate any covenant or restriction: to restrain a violation, to require specific performance and/or to recover damages; and against the land to enforce any lien created by these covenants. Failure by the Association or 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 3. Severability.

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

Section 4. Amendments.

Amendments to this Declaration may be proposed by the Board of Trustees or by petition signed by a one-third (1/3) of the total votes of the members, one vote per Lot, which petition shall be delivered to the Secretary. The full text of any proposed amendment shall accompany the notice of any annual or special meeting of the Association at which such proposed amendment will be considered and/or voted upon. An amendment of this Declaration shall not be effective until it is recorded among the Land Records of Prince George's County, Maryland and until a copy is filed in the Maryland Homeowners Association Depository maintained by the Clerk of the Court in Prince George's County, Maryland.

IN WITNESS WHEREOF, MONTPELIER COMMUNITY ASSOCIATION, INC. has caused its seal to be hereunto affixed and these presents to be signed by its officer thereunto duly authorized the day and year first above written.

ATTEST: SEAL

MONTPELIER COMMUNITY ASSOCIATION, INC.

Rose Mary Young, Secretary

Mary Lee Chatrnuck, President

By : _____

(name here) Secretary

(name here) (title)