

RECORDING FEE	20.00
IMP FD SURCHG	20.00
TOTAL	40.00
Res# 6801	RC# 46050
GR# 1485	BL# 81
AUG 01, 2007	03:44 PM

THE RESERVE AT HOLY CROSS

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS AMENDMENT to the Declaration of Covenants, Conditions and Restrictions of The Reserve at Holy Cross Subdivision is made and effective the 15th day of July, 2007 by HC RESERVE, LLC, a Maryland Limited Liability Company, hereinafter referred to as "Declarant".

Recitals

The Declaration of Covenants, Conditions and Restrictions of The Reserve at Holy Cross Subdivision is recorded among the Land Records of Garrett County, Maryland in Liber 1133 page 217 (the "Declaration"). Paragraph 10.3 of the Declaration provides in pertinent part that the Declaration may be amended by an instrument signed by no less than seventy-five percent of each class of Members who are entitled to vote at a meeting of Members. The within Amendment has been approved as provided, and execution hereof by Declarant constitutes approval by Class B Members. The signed consents to this Amendment by more than 75% of Class A Members are on file in the records maintained by The Reserve at Holy Cross Subdivision.

NOW THEREFORE, WITNESSETH, the Declaration of Covenants, Conditions and Restrictions of The Reserve at Holy Cross Subdivision is amended as follows:

First. Paragraph 1.8 of the Declaration is deleted in its entirety and replaced with the following revised Paragraph 1.8:

1.8 "Lot" means a lot in the Property shown as such on the Plat. Lots shall be designated as "Class Three" or "Class Two" Lots, which are defined as follows: Class Three Lots are Lots 1 through 22 as shown on the Plat and each shall have as an appurtenance thereto a common boat dock in Deep Creek Lake permitted for three power boat slips. The boat dock appurtenant to a Class Three Lot shall be the property of the owner of the Lot. Class Two Lots are Lots 23 through 30 as shown on the Plat and each shall have as an appurtenance thereto two assigned slips in the common boat docking facility in Deep Creek Lake owned by the Association. Lot 31 as shown on the Plat shall have as an appurtenance thereto one assigned slip in the common boat docking facility.

Second. Paragraph 2.8 of the Declaration is deleted in its entirety and replaced with the

following revised Paragraph 2.8:

2.8 Association Management. The Association shall manage, operate, repair and maintain the Common Areas, including streets, roadways, sidewalks and parking areas, and all trees, shrubbery and other plants and landscaping together with any items of personal property placed or installed thereon, at the cost and expense of the Association. The Association shall own, repair, maintain and manage the boat docking facilities appurtenant to Class Two Lots, including placement and removal of the docks from Deep Creek Lake. The Association shall make application with Department of Natural Resources for all required permits for placement of boat docking facilities in Deep Creek Lake, and shall be responsible to ensure compliance by Owners with applicable rules and regulations regarding placement of docks in Deep Creek Lake and with the provisions of the Development Permit issued to the Association. If any Owner fails to comply as required hereunder, the Association shall have the right, through its agents and employees, to remedy any violations and the cost thereof shall be the personal obligation of such Owner and an additional assessment upon the Lot in question.

Third. Paragraph 5.3 of the Declaration is deleted in its entirety and replaced with the following revised Paragraph 5.3:

5.3 Boat Docking Facilities. The costs incurred for maintenance, repair, replacement and management of the boat docking facilities appurtenant to Class Two Lots, including placement and removal of the docks from Deep Creek Lake, shall be assessed to all owners of Class Two Lots. The costs associated with obtaining required permits for placement of boat docks in Deep Creek Lake shall be assessed to the owners of both classes of Lots, in proportion to the costs incurred with respect to each class of Lot.

Fourth. New Paragraph 7.12 is added to Article Seven, Architectural Review, as follows:

7.12 Basic Dock Configuration. The basic boat dock configuration applicable to all Class Three Lots shall be in compliance with the permit issued to the Association by the Department of Natural Resources, shall be in compliance with all state and local laws and ordinances, and shall be in general compliance with the basic boat dock configuration and dimensions illustrated on Exhibit A, Basic Dock Configuration, attached hereto and incorporated herein. Modifications to the Basic

Dock Configuration may be approved by the Architectural Committee in cases involving consideration of water depth or where health and safety issues are involved. The Architectural Committee may consider and has authority to approve requests by Owners to add canopies to a dock, expand swim platform dimensions, and expand walkway lengths and depths

WITNESS the execution hereof by Declarant effective the day and year first above written.

By: Adrian Enterprises, LLC
Managing Member

BY: [Signature]
Member

STATE OF Maryland, COUNTY OF Garrett, to wit:

I HEREBY CERTIFY that on this 20th day of July, 2007, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Vexia Adrian, who acknowledged himself to be a Member of Adrian Enterprises, LLC, managing member of HC Reserve, LLC, and that as such Member, being authorized to do so, executed the foregoing Amendment to Declaration of Covenants, Conditions and Restrictions for the purposes therein contained.

WITNESS, my hand and Notarial Seal.

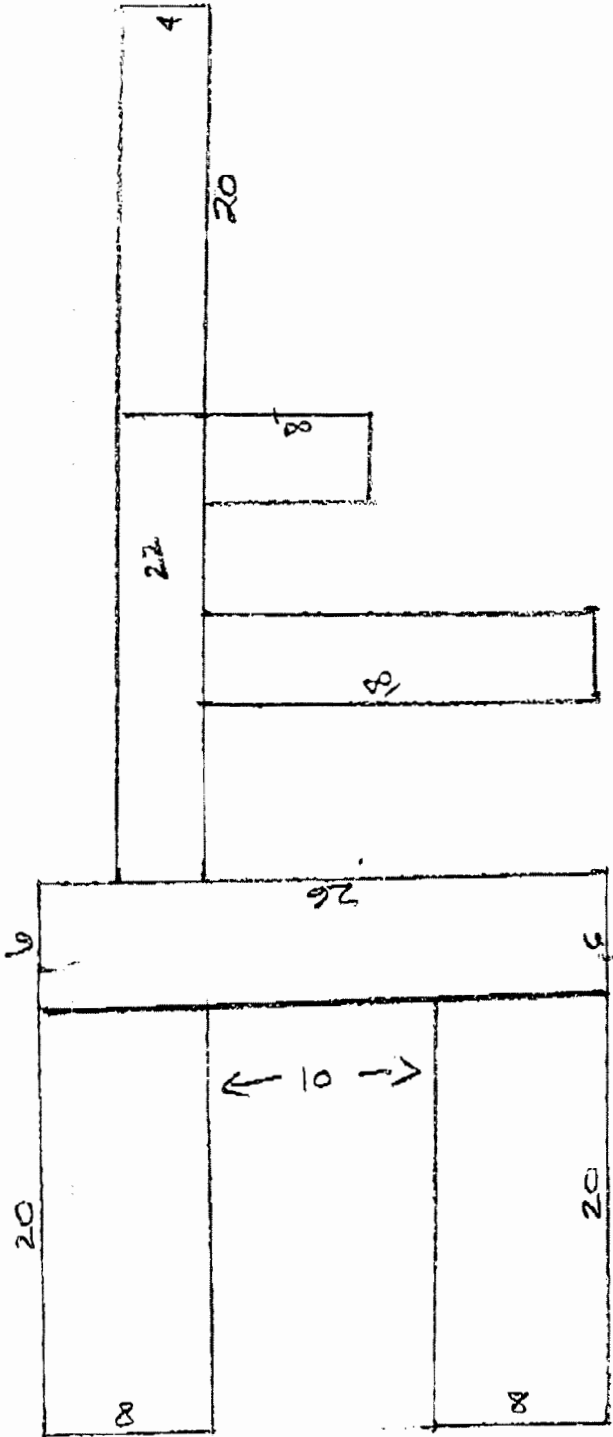
[Signature]
NOTARY PUBLIC

My Comm. Exp.: 3/1/2008

I hereby certify that the foregoing Amendment to Declaration of Covenants, Conditions and Restrictions was prepared by or under the supervision of an attorney admitted to the practice of law in the State of Maryland.

[Signature]
Thomas R. Janes

Exhibit "A"



THE HUB RECORDS 20-03
RECORDING FEE 70.00
TAX 00.00
RECORDING FEE 70.00
TAX 00.00
RECORDING FEE 70.00
TAX 00.00
RECORDING FEE 70.00
TAX 00.00

THE RESERVE AT HOLY CROSS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this 13th day of June, 2005 by HC RESERVE, LLC, a Maryland Limited Liability Company, hereinafter referred to as "Declarant".

WITNESSETH

WHEREAS, Declarant is the owner of certain property situate in Garrett County, State of Maryland, more particularly described on the subdivision plat or plats for The Reserve at Holy Cross (hereinafter referred to as the "Plat") recorded among the land records of Garrett County (hereinafter referred to as the "Property"); and

WHEREAS, Declarant intends to develop or cause to be developed on the Property a residential community and to provide for the preservation of the values and amenities in the community and for the uniform and orderly development thereof, and for the creation and maintenance of certain common facilities as hereinafter set forth, all of which is for the benefit of the Property and the owners thereof; and

WHEREAS, Declarant desires to subject the Property and the improvements located or to be located thereon to the covenants, conditions and restrictions set forth herein which are for the purpose of protecting the value and desirability of the Property and the improvements thereon and are for the purpose of distributing among the owners of the improvements the cost of maintaining and operating the common areas (as hereinafter defined), and any improvements constructed thereon; and

WHEREAS, Declarant has caused or will cause a non-profit membership corporation known or to be known as "THE RESERVE AT HOLY CROSS PROPERTY OWNERS ASSOCIATION, INC." (the "Association") to be formed in order to perform certain functions on behalf of the owners of lots within the Property, including, but not limited to, the enforcement of the covenants, conditions and restrictions herein set forth, and management of the common areas to be owned by the Association, and collection and disbursement of the assessments and charges hereinafter created.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following easements, covenants, conditions and restrictions, which are for

the purpose of protecting the value and desirability, and enhancing the attractiveness of the Property, and which shall run with the Property and shall be binding upon all parties having any right, title or interest in the Property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner of the Property or any part thereof and their respective heirs, personal representatives successors and assigns, and the Association.

ARTICLE ONE

Definitions

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

1.2 "Architectural Committee". The Architectural Committee shall be composed of those three or more individuals so designated from time to time by (i) Declarant during the Development Period and (ii) by the Board of Directors after the Development Period. Those individuals appointed by the Board of Directors may be removed from the Architectural Committee at any time by the Board of Directors at its discretion.

1.3 "Association" shall mean and refer to The Reserve at Holy Cross Property Owners Association, Inc., a Maryland not for profit corporation, as formed or to be formed by Declarant.

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

1.5 "Common Areas" means those areas of land within the Property shown and designated on the Plat as common areas, and is intended to be the entire Property, save and except for Lots. The Common Areas shall include all common areas, roads, streets, easements and parking areas within the Property as shown on the Plat, and the "Access Easement" from Boy Scout Crosscut Road described in Paragraph 3.6 of this Declaration.

1.6 "Declarant" means HC Reserve, LLC, and its successors and assigns to which it shall convey or otherwise transfer its right, title and interest to all or any part of the Property and in so doing expressly designates the transferor as a Declarant hereunder.

1.7 "Development Period" means the period until all of the Lots have been conveyed by Declarant. With respect to any land annexed to the Property by Declarant, the "Development Period" means the period until all of the Lots in the annexed land have been conveyed by Declarant.

1.8 "Lot" means a lot in the Property shown as such on the Plat. Lots shall be designated as "Class Three" or "Class Two" Lots, which are defined as follows: Class Three Lots are Lots 1 through 22 as shown on the Plat and each shall have as an appurtenance thereto an assigned common boat dock permitted for three power boat slips maintained by the Association in Deep Creek Lake. Class Two Lots are Lots 23 thru 30 as shown on the Plat and each shall have as an appurtenance thereto two assigned slips in the common boat docking facility maintained by the Association in Deep Creek Lake. Lot 31 shown on the Plat may be made a lot in the Property at the election of Declarant.

1.9 "Member" means a person or entity who holds membership in the Association as provided in this Declaration.

1.10 "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.11 "Property" shall mean the property described in the Plat and such additions thereto as may hereafter be brought within the jurisdiction of the Association and subjected to this Declaration as herein provided.

1.12 "Structure" means any thing or device the placement of which upon the Property may affect the appearance of the Property including, by way of illustration and not limitation, any building, out building, garage, porch, covered or uncovered patio, swimming pool, curbing, paving, wall, driveway, walkway, exterior light, or any other temporary or permanent improvement made to the Property or any part thereof. "Structure" shall also mean (i) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across the Property, and (ii) any change in the grade of the Property (or any part thereof) of more than six (6) inches from that existing at the time of purchase by each Owner (other than Declarant).

ARTICLE TWO

Common Area Property Rights and Rules

2.1 Grant of Lots. Declarant shall hereafter hold, grant and convey the Lots, subject to the

covenants, conditions and restrictions herein set forth, which are for the benefit of, binding upon and shall run with the land, and are for the benefit of Declarant, the Association and the Owners, their heirs, personal representatives, successors, and assigns.

2.2 Grant of Common Areas. Declarant covenants that it will convey the Common Areas to the Association, and the Association shall accept from Declarant the Common Areas, with such improvements as Declarant may construct thereon and shall hold them subject to the provisions hereof. The Common Areas will be conveyed to the Association on or before the end of the Development Period.

2.3. Common Use Easement. The easement area shown on the plat or plats of the Property and depicted as "25' x 300' Common Use Easement" is required, pursuant to Section 510 of the Deep Creek Watershed Zoning Ordinance, to provide access to the land of the State of Maryland and Deep Creek Lake. This easement area is for pedestrian use only, and is accessed by the easement shown on the Plat.

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

2.4.1. The common boat docking facility located in Deep Creek Lake is a limited common element which may be utilized only by the owners of Class 2 Lots.

2.4.2 The storage or placement of beachable watercraft on the buffer strip adjacent to Deep Creek Lake is prohibited except in areas designated by the Association.

2.4.3 The voting rights and right to use of the Common Areas and facilities thereon, and the boat docking facility, by an Owner for any period during which any assessment against the Owner's lot remains unpaid shall be suspended; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

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

2.6 Structures. Except as otherwise permitted by the provisions of this Declaration, no Structure shall be erected, placed or maintained on any Common Area except: (i) Structures designed

exclusively for the common use of Owners; and (ii) drainage, storm and utility systems. The Common Areas may be graded, planted with trees and shrubs and other plants placed and maintained thereon for the use, comfort and enjoyment of the Owners or for the establishment, retention or preservation of the natural growth or topography of the Common Areas.

2.7 Rules. The Association shall have the right to prescribe reasonable rules and regulations governing the use of the Common Areas, the buffer strip land of the State of Maryland adjacent to Deep Creek Lake, and the common boat docking facilities.

2.8 Association Management. The Association shall manage, operate, repair and maintain the Common Areas, including streets, roadways, sidewalks and parking areas, and all trees, shrubbery and other plants and landscaping together with any items of personal property placed or installed thereon, at the cost and expense of the Association. The Association shall own, repair, maintain and manage the boat docking facilities, including placement and removal of the docks from Deep Creek Lake, and shall make application with Department of Natural Resources for all required permits for placement of boat docking facilities in Deep Creek Lake.

2.9 Improvements to Buffer Strip and Docking Facilities. Permission sought by owners of Class Three Lots to make improvements or modifications to the buffer strip or boat docks shall be made through the Association, to the Department of Natural Resources. Any improvements or modifications must have the approval of the Association. The costs associated with such improvements or modifications shall be the responsibility of the lot owner requesting them.

ARTICLE THREE Reserved Rights of Declarant

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

3.1.1 The reservation to Declarant of an easement over any road in the Common Areas for the purpose of ingress and egress and the installation and maintenance of public and private utilities.

3.1.2 The reservation to Declarant of the right to store building supplies, construction equipment and other similar property on the Common Areas during the Development Period. This right shall expire one (1) year after completion of construction of all improvements by Declarant on all

Lots within the section in which the Common Areas subject to such reserved easement are located.

3.2 Grading. Declarant further reserves the right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Lot and grade a portion of such Lot adjacent to such street, provided such grading does not materially interfere with the use or occupancy of a residence built or to be built on such Lot, but Declarant shall not be under any obligation or duty to do such grading or to maintain any slope.

3.3 Amendment of Plat. No right shall be conferred upon any Owner or Member by the recording of any Plat relating to the development of the Property to require the development of the Property in accordance with such Plat, Declarant expressly reserving unto itself the right to make such amendments to any such Plat or Plats as shall be advisable in its best judgment and as shall be acceptable to public authorities having the right to approval thereof. The right so reserved shall include the right to redefine the Common Areas, to redefine the boundaries of unsold Lots, to annex additional land to the Property and to provide for new Lots not previously depicted on the Plat. Lot 31 shown on the plat may be made a lot in the Property at the election of Declarant. Declarant may not alter the boundaries of Lots which have been sold.

3.4 Sales and Construction Offices. During the Development Period, Declarant may construct, maintain and operate real estate sales and construction offices, model homes, displays, signs and special lighting on any part of the Common Areas or on any Lot which Declarant has not yet conveyed.

3.5 Easement for Utilities. Declarant reserves an easement on, over and under the Lots and Common Areas for the purpose of ingress and egress and the installation and maintenance of public and private utilities to serve the Property and the Lots therein, including, but not limited to, the right to lay, install, construct and maintain pipes, drains, mains, conduits, lines and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide adequate service to any Lot now or hereafter laid out or established on the Property, or in the area or on the area in which the same is located, together with the right and privilege of entering upon the Lots and Common Areas for such purposes and making openings and excavations thereon which openings and excavations shall be restored in a reasonable period of time.

3.6 Access Easement. Permanent access to the Property is over a right-of-way 50 feet in width from Boy Scout Crosscut county road described in an Easement Agreement by and between The Ann Blakeslee Smith Family Limited Partnership and Declarant dated the 8th day of December, 2004 and recorded among the Land Records of Garrett County, Maryland in Liber 1088 page 96. Declarant grants unto the Association, for the benefit of the Owners, and to the Owners, an easement over said right-of-way, subject to the right of Declarant, its successors and assigns, to the full and unrestricted use of the right-of-way, to be used in common with the Association, the Owners, and others having similar rights, in accordance with the terms of the said Easement Agreement. Temporary access to the Property is over a right of way 30 feet in width more fully described in said Easement Agreement, which right of way is subject to termination as therein provided.

3.7 Reserved Boat Slip. Declarant reserves the right to use one slip in the seventeen slip common boat dock during the Development Period, together with the right anytime during the Development Period to assign the slip to the Association or to an Owner.

ARTICLE FOUR Membership and Voting Rights

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

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

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

4.2.2 Class B. The Class B Member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned.

ARTICLE FIVE Covenant for Assessments

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

5.2 Purposes of Assessments. The assessment levied by the Association shall be used for the improvement and maintenance of the boat docking facilities and the Common Areas, as herein provided, and as is otherwise consistent with the rights and responsibilities of the Association hereunder and for the enjoyment and benefit of the Members.

5.3 Boat Docking Facilities. Maintenance, repair and replacement of all common boat dock facilities, with respect to both Class Three and Class Two Lots, shall be the responsibility of the Association. The cost incurred for maintenance, repair and replacement of boat docks appurtenant to Class Three Lots shall be paid by and assessed to the Owner of the Class Three Lot whose dock is maintained, repaired or replaced. The cost incurred for maintenance, repair and replacement of the common boat docks appurtenant to Class Two Lots shall be assessed to all Owners of Class Two Lots.

5.4 Reserve Fund. The annual assessments shall include an amount adequate to establish a reserve fund to be retained by the Association and used only for replacement of the common boat docking facility appurtenant to Class Two Lots and capital improvements in the Common Areas. A proportionate amount of each assessment payment received by the Association applicable to the reserve fund shall be received and held by the Association in trust, and shall be held separate and apart from other Association funds.

5.5 Annual Assessment. The Board of Directors shall fix the amount of the annual assessment. The annual assessment may be increased above ten percent of the annual assessment for

the previous fiscal year only by an affirmative vote of two-thirds of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

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

5.7 Notice and Quorum for Any Action Authorized Under Paragraphs 5.5 and 5.6. Written notice of any meeting called for the purpose of taking an action authorized under Paragraphs 5.5 or 5.6 shall be sent to all Members not less than fifteen (15) 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 (60%) percent of all the votes of each class of Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

5.8 Uniform Rate of Assessment. Except as otherwise provided herein, specifically with respect to boat docking facilities, both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, or other periodic basis not more often than monthly, or less often than annually, as provided by the Board of Directors; provided, however, that Declarant shall not be required to pay any assessment for any Lot owned by it until construction of improvements for a home on the Lot have been completed and the improvements have been occupied.

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

5.10 Surplus Receipts. Any surplus of receipts over expenses of the Association for any fiscal year shall be either applied to reduce the assessments necessary to meet the budget adopted by

the Association for the next fiscal year or paid into the reserve fund of the Association, as determined by resolution of the Board of Directors.

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

5.11.1 The annual assessments provided for herein shall commence as to all platted Lots on the first day of May, 2005. The first annual assessment shall be fixed by the Board of Directors and shall be adjusted according to the number of months remaining in the calendar year. Thereafter, the Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

5.11.2 If additional land is annexed to the Property the annual assessments as to the Lots added to the Property by such annexation shall commence on the first day of the month following the conveyance of the first Lot within the annexed land to a Class A Member.

5.12 Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten (10%) percent per annum and shall be subject to a late charge of five percent (5%) of the assessment, and the Board of Directors shall have the right to declare the entire balance of the annual assessment and accrued interest thereon to be immediately due and payable. In addition, the Owner shall be liable for all costs of collecting any such assessment, including reasonable attorney's fee and court costs. All such interest, late charges and costs of collection shall be deemed to be an additional assessment hereunder. The Association may bring an action at law against the Owner personally obligated to pay the same and/or, without waiving any other right, may foreclose the lien against the Lot.

5.13 Maryland Contract Lien Act. The Association may establish and enforce the lien for any assessment, annual special or additional granted herein pursuant to the Maryland Contract Lien Act. The lien is imposed upon the Lot against which such assessment is made. The lien may be established and enforced for damages, costs of collection, late charges permitted by law, and attorneys fees provided for herein or awarded by a court for breach of any of the covenants herein.

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

ARTICLE SIX

Maintenance by Owner

The Owner of each Lot shall keep the Lot, and all improvements thereon, in good order and repair, including, but not limited to, the seeding, watering and mowing of all lawns and yards, keeping all sidewalks neat, clean and in good repair, the pruning and cutting of all trees and shrubbery and the painting or other appropriate external care of all buildings and Structures on the Lot, all in a manner and with such frequency as is consistent with good property management and maintenance. If, in the opinion of the Architectural Committee any Owner fails to perform the duties imposed hereunder, the Association, on affirmative action of a majority of the Board of Directors, after fifteen (15) days written notice to the Owner to remedy the condition in question, and upon failure of the Owner to remedy the condition, shall have the right (but not the obligation), through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint and restore the Lot and the improvements or Structures thereon and the cost thereof shall be a binding, personal obligation of such Owner, and as an additional assessment, upon the Lot in question.

ARTICLE SEVEN
Architectural Review

7.1 Building and Landscaping Restrictions. No Structure or landscaping outside of the designated building envelope shall be commenced, erected or maintained on any Lot, nor shall the exterior appearance of any Structure on any Lot be changed or altered, nor shall the natural state of any area of any Lot be disturbed or altered after completion of construction of the improvements thereon, nor shall any work be commenced or performed which may result in a change of the exterior appearance of any such Structure, until complete plans and specifications showing the nature, kind, shape, dimensions, materials, floor plans, color scheme, location, exterior plans and details, paving plans and location, landscaping details, proposed topographical changes, and the Owner's proposed construction schedule, and together with a designation of the party or parties to perform the work have been submitted to and approved in writing by the Architectural Committee. In the event the Architectural Committee fails to approve or disapprove such design and location in writing within thirty (30) days after said complete plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

7.2 Committee Criteria. The Architectural Committee shall adopt written guidelines setting forth the criteria for review of plans and specifications as provided hereunder. The Architectural Committee shall consider such plans and specifications for approval upon the basis of the harmony of external design and location in relation to surrounding Structures and topography, the nature and durability of the materials, quality of workmanship, choice of colors and materials, grade elevations and/or drainage, the ability of the party or parties designated by the Owner to complete the work proposed in accordance with the plans and specifications submitted, including, without limiting the foregoing, such factors as background, experience, skill, and quality of workmanship. The Architectural Committee may also consider factors of public health and safety, the effect the proposed work will have on the use, enjoyment and value of surrounding properties, and/or the outlook or view of other neighboring properties and the suitability of the proposed improvements or alterations with the general aesthetic values of the surrounding area.

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

7.4 Approval of Plans. The applicant shall submit for approval two sets of complete plans and specifications, together with the estimated timetable for commencement and completion of construction. Upon approval by the Architectural Committee, one copy of such plans and specifications shall be retained by the Committee, and the other bearing the approval of the Committee in writing shall be returned to the applicant.

7.5 Non-Approved Structures. If any Structure shall be altered, erected, placed or maintained upon any Lot, or any new use commenced on any Lot, in violation of the provisions hereof, such Structure or new use shall be removed or discontinued, and such use shall be terminated so as to extinguish such violation. If within fifteen (15) days after notice from the Board of Directors of such violation, the Owner of the Lot upon which such violation exists shall not have taken reasonable steps towards the removal or termination of the same, the Association, through its agents and employees, shall have the right to enter upon the Lot and to take such steps as it deems necessary to extinguish such violation and the cost thereof shall be a binding, personal obligation of the Owner of the Lot, and an additional assessment upon the Lot.

7.6 Completion of Construction. Upon completion of construction of any Structure in accordance with the provisions hereof, the Architectural Committee, upon request of the applicant, shall issue a Certificate of Compliance in form suitable for recordation among the Land Records of Garrett County aforesaid, identifying such Structure and the Lot on which such Structure is placed, and stating that the Structure has been completed pursuant to the terms hereof. Preparation and recording of such Certificate shall be at the expense of the applicant. Any Certificate of Completion issued pursuant hereto shall be evidence of the facts therein stated, and as to any purchaser or encumbrancer in good faith, or as to any title insurer, such Certificate shall be conclusive

evidence that all Structures on the Lot noted in such certificate comply with the provisions hereof.

7.7 Examination Fee. The Association may charge and collect a reasonable fee for the examination of the plans and specifications submitted for approval.

7.8 Declarant Exemption. The provisions of this Article Seven shall not apply to any Structures commenced, erected or maintained by Declarant on any Lot, or within the Property.

7.9 Architectural Committee Rules. The Architectural Committee to the extent of its functions hereunder and rights specifically provided herein, shall adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of this Declaration.

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

7.11. Trash Receptacles. Construction trash receptacles are required during the period construction is occurring on a Lot.

ARTICLE EIGHT Restrictions on Lots

8.1. Uses. All Lots shall be used for residential purposes only, except that Declarant may use any Lot as a model home and for sales, management and/or construction offices during the Development Period. No structure of a temporary character whether a basement, tent, shack, trailer, camper, or other out-building will be placed on any Lot at any time as a permanent or temporary residence.

8.2. Subdivision. No Lot shall be subdivided.

8.3. Signs. No signs of any kind shall be placed or erected on any Lot except as provided in the architectural guidelines adopted by the Association. Signs erected by the Declarant during the Development Period shall not be subject to the provisions set forth herein.

8.4. Motor Vehicles. All boats, trailers, recreational vehicles, campers, non-passenger vehicles and the like may be parked only in private driveways on a temporary basis not to exceed 14 days in any calendar year. No unlicensed or junked vehicles may be parked or stored within the

subdivision unless parked or stored in an enclosed garage.

8.5. Animals. No animals may be kept, maintained or bred on any Lot, except that domestic household pets may be kept on a Lot, provided they are not kept, bred or maintained for any commercial purpose and provided further that they are kept in such a manner as to avoid becoming a nuisance to neighbors or adjoining property owners. Upon request of any Owner, the Architectural Committee shall determine, in its sole discretion, whether a particular animal shall be considered a "domestic household pet" or whether it constitutes a "nuisance".

8.6. Noises and Nuisances. No nuisance shall be maintained, allowed or permitted on any part of the Property and no use thereof shall be made or permitted which may be noxious or detrimental to health or which may become an annoyance or nuisance to the neighborhood. Between the hours of 11:00 P.M. and 8:00 A.M. no Owner or occupant of a Lot shall make any loud or unusual noises. Musical instruments, radios, televisions and record players, phonographs and the like shall be used at all times only in such manner so as to not unreasonably disturb persons elsewhere on the Property.

8.7. Trash. No lumber, rubbish, bulk materials, garbage, refuse or trash shall be kept, stored or allowed to accumulate on any Lot. The Association shall provide and maintain containers or receptacles for the disposal of trash and garbage in a designated area or areas within the Property. Individual trash and/or garbage receptacles shall not be permitted on any Lot.

8.8. Antennas and dishes. Exterior antennas and satellite dishes shall not be permitted on any Lot, except that DSS dishes not more than 18 inches in diameter and attached to the dwelling are permitted.

8.9. Vacation Rentals. Rental, leasing, subleasing and/or licensing of any residence situate on a Lot for short term or "vacation" occupancy (defined as less than ninety consecutive days) is not permitted. Long term rentals for a period of at least ninety consecutive days shall be permitted after notice is provided to the Association.

8.10. Rules. In order to assure the peaceful and orderly use and enjoyment of the property, the Association may from time to time adopt, modify and revoke in whole or in part, such reasonable rules and regulations, to apply equally to all similarly situated Lots and Members, governing the conduct of persons on or use of a Lot and the Common Areas, as the Association may deem necessary. All such rules shall be binding upon all Members of the Association, occupants and visitors

to the Property.

8.11. Cutting Trees. No trees may be cut which are 4 inches or more in diameter at a height of 4.5 feet above the ground on that portion of any Lot within 20 feet of a roadway of the subdivision, except those trees which must be removed to allow construction of a residence on a Lot, a driveway to serve the Lot, and provision of utilities to serve the Lot.

8.12. Enforcement. The Declarant and any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Declarant 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.

ARTICLE NINE

Annexation

9.1 Additional Property. Additional residential Lots and Common Areas may be annexed to the Property in accordance with the provisions of this Article.

9.2 Annexation by Declarant. Additional land may be annexed to the Property by Declarant and made residential Lots and Common Areas of the Property without the consent of Members within ten (10) years of the date this Declaration is recorded among the Land Records of Garrett County.

9.3 Recording. Any annexation made to the Property pursuant to this Article Nine shall be done and become effective upon recording of an amendment to this Declaration by Declarant among the Land Records of Garrett County specifying the additional land to be annexed to the property.

ARTICLE TEN

General Provisions

10.1 Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or

by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

10.3 Amendment.

10.3.1 The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by no less than seventy-five (75%) percent of each class of Members who are entitled to vote at a meeting of Members. Any amendment must be recorded.

10.3.2 No amendment may alter or affect any rights granted hereunder to Declarant without the prior written consent of Declarant. No amendment affecting assessments, any property right, the right of any Owner to have, use or enjoy any easement or to use the Common Area, or the vested right of any party secured by a mortgage or deed of trust shall be valid or of any effect unless such amendment has been approved in writing by such party having such right or interest.

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

To Declarant: HC Reserve, LLC
378 Lexi Lane
Oakland, MD 21550

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

To Owner/Members as follows:

To the last known address of
Owner/Member as shown on the records
of the Association at the time of mailing.

10.5 Right of Entry. Violation or breach of any provision herein contained shall give Declarant or the Association, to the extent that any of them may have a right of enforcement thereover, their respective agents, legal representatives, heirs, successors and assigns, in addition to all other remedies, the right (but not the obligation), after five (5) days notice to the Owner of the Lot, to enter upon the Lot or the land as to which such violation or breach exists, and summarily to abate and remove, at the expense of the Owner thereof, any Structure or condition that may be or exists thereon contrary to the intent and meaning of the provisions hereof, and the said parties shall not thereby be deemed guilty of any manner of trespass for such entry, abatement or removal, except that if any agent of Declarant or the Association shall be responsible for actually committing a trespass by behavior going beyond the intent of the authority conferred by this Section, in such event neither Declarant nor the Association shall be responsible for the unauthorized acts of such agent(s). Nothing herein contained shall be deemed to affect or limit the rights of the Owners of the Lots when entitled to do so, to enforce the covenants by appropriate judicial proceedings.

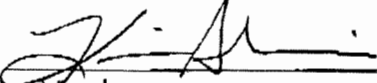
10.6 No Reverter or Condition Subsequent. No provision herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

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

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

WITNESS the execution hereof by the Declarant herein the day and year first above written.

H C RESERVE, LLC
By: Adrian Enterprises, LLC
Managing Member

BY: 
Member

STATE OF MARYLAND, COUNTY OF GARRETT, to wit:

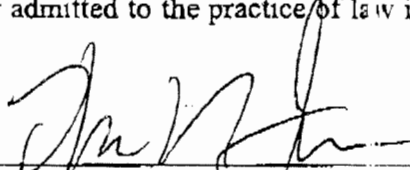
I HEREBY CERTIFY that on this 13TH day of JUNE, 2005, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared KEVIN ADRIAN, who acknowledged himself to be a Member of Adrian Enterprises, LLC, managing member of H C Reserve, LLC, and that as such Member, being authorized to do so, executed the foregoing Declaration for the purposes therein contained.

WITNESS, my hand and Notarial Seal.


NOTARY PUBLIC

My Comm. Exp.: 7-1-06

I hereby certify that the foregoing Declaration of Covenants, Conditions and Restrictions was prepared by or under the supervision of an attorney admitted to the practice of law in the State of Maryland.


THOMAS R. JANES