

**SECOND AMENDED DECLARATION AND RESTATEMENT
OF COVENANTS, CONDITIONS AND RESTRICTIONS
COOKE'S HOPE**

THIS SECOND AMENDED DECLARATION AND RESTATEMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Second Amended Declaration") is made this 11th day of June, 2019, by COOKE'S HOPE HOMEOWNERS ASSOCIATION, INC., a non-stock corporation of the State of Maryland (the "Association").

RECITALS

1. On May 17, 1999, a declaration entitled the "First Amended Declaration of Covenants, Conditions and Restrictions" (the "First Amended Declaration") was executed by Cooke's Hope LLC, a Maryland limited liability corporation, Trippes Creek LLC, a Maryland limited liability corporation, and Cheston Limited Partnership, a Maryland limited partnership (together the "Successor Declarants") and was recorded among the Land Records of Talbot County, Maryland in Liber No. 930, folio 663. By doing so, the Successor Declarants intended to provide for the preservation of values and amenities in the community which had been created by certain previous acquisitions and dispositions of land in Talbot County, Maryland by the entities and persons as set forth below; and

2. On June 1, 1988, William T. Hunter, Jr., Christine F. Hunter, Russell W. Fisher, Christine S. Fisher, Howard William Hunter, David Christian Hunter, Peter Jasper Hunter, Matthew Allen Fisher and Kate Elizabeth Fisher ("Original Declarant") subjected certain property consisting of 99.8 acres, more or less, located in Talbot County, Maryland on the northerly side of Peachblossom Creek and known as "Springfield", to certain covenants, conditions and restrictions by the recording of a Declaration of Covenants, Conditions and Restrictions, dated that date and recorded among the Land Records of Talbot County, Maryland in Liber 651, folio 931 ("Original Declaration"); and

3. The Original Declarant added lands to the property subject to the Original Declaration by virtue of a Supplementary Declaration of Covenants, Conditions and Restrictions Cooke's Hope dated July 29, 1992 and recorded among the Land Records of Talbot County, Maryland Liber No. 730, folio 850 ("First Supplementary Declaration"); and

4. The area known as "Springfield" and covered by the Original Declaration as supplemented by additional land as described and set forth in Article II, Section 1(a) and 1(b) hereof, constitutes a portion of three farms owned by the Original Declarant and known as "Peachblossom Farm Annex," "Springfield," and "Cooke's Hope," consisting in the aggregate of approximately 475.493 acres and referred to in the Original Declaration, as well as all amendments thereto, collectively as the "Cooke's Hope Community"; and

5. By a Deed dated April 20, 1994 and recorded among the Land Records of Talbot County, Maryland in Liber 778, folio 429, the Original Declarant conveyed to Cooke's Hope, LLC a portion of the original 475.493 acre tract consisting of 162.365 acres, more or less, and being more particularly described therein; and

6. By a Deed dated December 23, 1994 and recorded among the Land Records of Talbot County, Maryland in Liber 794, folio 98, the Original Declarant conveyed to Trippes Creek LLC a portion of the original 475.493 acre tract, and being more particularly described therein; and

7. By a Deed dated March 6, 1996 and recorded among the Land Records of Talbot County, Maryland in Liber 823, folio 213, Cheston Limited Partnership and Trippes Creek LLC conveyed to Cheston Limited Partnership a portion of the original 475.493 acre tract, and being more particularly described therein; and

8. By Plat entitled "Subdivision Plat Phase I Cooke's Hope P.U.D. in the Town of Easton in the First Election District, Talbot County, Maryland" and dated May 1996 (as revised through August 16, 1996), the area known as "Cooke's Hope Village" was created and established. Such area was further supplemented by Plats containing additional Phases of land, all as more particularly described in Article II, Section 1(c), 1(e) and 1(f) hereof.

9. On August 26, 1996 the Cooke's Hope, LLC executed a Supplemental Declaration of Covenants, Conditions and Restrictions ("Second Supplemental Declaration") which was recorded among the Land Records of Talbot County, Maryland on August 27, 1996 at Liber 0837, folio 237; and

10. By Plat dated January, 1999 and supplemented subsequently by additional land as more particularly described in Article II, Section 1(d) hereof, an area comprising 50.43 acres of land within Cooke's Hope and known as "The Galloways" was created and established.

11. On July 24, 2002 the Successor Declarants executed the First Supplemental Declaration of Covenants, Conditions and Restrictions ("Third Supplemental Declaration") recorded among the Land Records of Talbot County at Liber 1078, folio 033; and

12. Subsequent to the execution of the First Amended Declaration on May 17, 1999 by the Successor Declarants as aforesaid, the First Amended Declaration was amended by the Successor Declarants as follows: Amendment No. 1 thereto was executed on May 22, 2007 and recorded in the Land Records of Talbot County, Maryland in Liber 1559, folio 178; Amendment No. 2 thereto was executed on November 26, 2007 and recorded in the Land Records as aforesaid in Liber 1587, folio 612; and Amendment No. 3 thereto was executed on June 29, 2018 in the Land Records aforesaid in Liber 2551, folio 160.

13. The Association intends by this Second Amended Declaration to further provide for the preservation of values and amenities in the community and for the maintenance of Common Areas and Community Facilities; and

14. Pursuant to the terms of Section 3 of Article II of this Second Amended Declaration, the Successor Declarants reserve the right to enlarge the Cooke's Hope Community and pursuant thereto, include within the community villages, additional Common Areas and Community Facilities, and the Successor Declarants continue to have the right to enlarge the Cooke's Hope Community and develop certain additional properties; and

15. The Association further intends that this Second Amended Declaration rescind, replace, and restate the previous First Amended Declaration, and include all real property previously annexed in the First, Second, and Third Supplemental Declarations; and

16. Section I of Article X of this Second Amended Declaration provides in pertinent part, that this Second Amended Declaration "may be amended only by an instrument executed and acknowledged by the Association certifying that Members of the Association in good standing have cast affirmative votes representing at least sixty percent (60%) of the total votes of the Membership..."; and

17. Section 1 of Article III of the Declaration provides in pertinent part that "each Member who is then in good standing as provided in the Bylaws of the Association shall be entitled to one (1) vote for each subdivided and recorded Lot in which such Member holds the interest required for Membership in the Association.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are not merely prefatory but made part hereof, the Association hereby rescinds the recording of the First Amended Declaration as amended by Amendment No. 1, Amendment No. 2, and Amendment No. 3, and First, Second, and Third Supplemental Declarations in their entirety, and hereby declare that the real property described in Section 1 of Article II is and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter sometimes referred to as "Covenants and Restrictions") hereinafter set forth, all of which are agreed to be in aid of the plan for the improvements of said Property, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Association and the Successor Declarants, their successors and assigns, and any person acquiring or owning an interest in said property and improvements, but shall not include or be enforceable by any person, group of persons, corporation, trust, or other legal entity, or any combination thereof, who holds an interest solely as security for the performance of an obligation.

ARTICLE I

1. Definitions. The following words, when used in this Second Amended Declaration, shall have the following meanings:

(a) "Architectural and Environmental Review Committee" means the Architectural and Environmental Review Committee established pursuant to Article VII hereof.

(b) "Association" means the Cooke's Hope Homeowners Association, Inc., and its successors and assigns.

(c) "Board of Directors" means the Board of Directors from time to time of the Association.

(d) "Boat Slip" means that space on, above and below the surface of the water which is located between pilings on one side and the finger piers or pilings on the other side and between the bulkhead on the landward side and the outermost pilings on the channel side. The Boat Slips shall not include the pilings, finger piers, bulkhead, seawall, platforms or walkways adjacent to the Boat Slips.

(e) "Common Areas" and "Community Facilities" means all of the land, buildings and property within the Community owned or leased by the Association or otherwise available to the Association for the benefit, use and enjoyment of its Members.

(f) "Community Dock" means the dock at which the Boat Slips are located.

(g) "Cooke's Hope" shall mean and refer to all areas of those certain tracts or parcels of land consisting of 475.493 acres, more or less, described in this Second Amended Declaration and shall hereinafter be used to designate such parcels or any portions thereof in lieu of "Cook's Hope."

(h) "The Villages of Cooke's Hope" shall mean and refer to those certain areas described in Article II, Sections 1(c), 1(e) and 1(f) of this Second Amended Declaration and shall be further deemed to include any additional land which may be included in The Village of Cooke's Hope by the Successor Declarants at any time in the future by the recording of one or more additional supplemental declarations as provided in Article II, Section 3 hereof or added by the Association by amendment pursuant to Article X hereof.

(i) "Declarant" or "Developer" or "Grantor" means the Declarant and Successor Declarants hereinabove identified in the preamble to this Second Amended Declaration, and their successors and assigns; provided, however, that the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant and Successor Declarants shall not inure to the benefit of or burden the successors and assigns of the Declarant and Successor Declarants except to the extent that any of the rights, reservations, easements, interests, exemptions, privileges or powers of the Declarant and Successor Declarants are specifically assigned or transferred to any such successor or assigned by an instrument in writing. For the purposes of this Second Amended Declaration, Declarant may also mean "Successor Declarants."

(j) "Dwelling" means any building or portion of a building situated upon a Lot intended for residential living for one or more persons living together as a single family or household. A Dwelling may be a home detached from, or a home or Townhome attached by a common wall with, another Dwelling but may not be a mobile home or a home substantially manufactured as a unit, and shall be subject to such rules or regulations as the Board may adopt regulating the use, occupancy or conditions of rental of such Dwelling and otherwise shall be subject to the provisions of this Second Amended Declaration.

(k) "The Galloways" means and refers to that certain area described in Article II of this Second Amended Declaration and consisting of 50.430 acres of land more or less, and shall

further be deemed to include any additional areas which may be included in The Galloways by the recording of one or more additional supplemental declarations at some time in the future.

(l) "Lot" means all subdivided and recorded parcels or property which are part of the Property but shall not include any Common Area, Community Facility or parcel owned by the Association unless otherwise so determined by the Board.

(m) "Member" means every person, group of persons, corporation, trust or other legal entity, or any combination thereof, who holds a Membership in the Association. Whether a member is in good standing and then entitled to vote shall be determined by the provisions of the Bylaws of the Association.

(n) "Mortgagee" or "Holder" means the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage" shall include a deed of trust. "First Mortgage" means a mortgage with priority over other mortgages.

(o) "Owner" or "Owners" means the record Owner, whether one or more persons or entities, of the fee simple title to any Lot, including the Declarant and contract sellers, but excluding those having such interest solely as security for the performance of an obligation.

(p) "Plats" means all those Plats referred to and described in this Second Amended Declaration.

(q) "Private Road" means any road located within the Cooke's Hope community which is not owned by the Town of Easton, Maryland, Talbot County, Maryland or any other government utility company or public roads commission.

(r) "Project" and "Community" means that certain community being developed by the Declarant on the Property.

(s) "Property" means all of the real property described in Section 1 of Article II and such additions thereto as may hereafter be made pursuant to the provisions of Section 3 of Article II hereof or otherwise pursuant to any other provision of this Second Amended Declaration.

(t) "Successor Declarants" shall mean Cooke's Hope, LLC, a Maryland limited liability company, Cheston Limited Partnership, a Maryland limited partnership, and Trippes Creek LLC, a Maryland limited liability company.

(u) "Townhome" shall mean one of two or more residential Dwellings with a common or party wall separating each Dwelling unit from each other.

(v) "Townhome Group" shall mean each of the separated groups of Townhomes.

(w) "Townhome Section" shall mean the parcel of land designated for or containing one or more Townhome Groups.

ARTICLE II

1. The property described herein this Article II 1(a) through 1(f) shall be subject to this Second Amended Declaration.

(a) All that land described, shown and designated as Lots 1 through 31, including "Community Area, Reserve Area" and the private roadways designated as "Cooks Hope Road" (also known as Cooke's Hope Road) and "Springfield Drive" on a plat titled "PLAT SHOWING SPRINGFIELD SUBDIVISION IN THE FIRST ELECTION DISTRICT, TALBOT COUNTY, MARYLAND prepared by McCrone, Inc., dated October 1985 and recorded among the Plats Records of Talbot County, Maryland at Liber 68, folio 13. Also including all the land described and shown on a "PLAT SHOWING LOTS 15 - 22 AND 28 A & B, SPRINGFIELD SUBDIVISION FIRST ELECTION DISTRICT, TALBOT COUNTY, MARYLAND", prepared by Rauch, Walls and Lane, Inc., dated November 1986, Scale 1" = 200', and recorded among the Plat Records of Talbot County Maryland, in Plat Cabinet 1, folio 32B.

(b) All that land described, shown and designated Lots 32, 33, 34, 35 and 36 on a plat titled "PLAT SHOWING LOTS 32 THROUGH 36, 'SPRINGFIELD' FIRST ELECTION DISTRICT, TALBOT COUNTY, MARYLAND", prepared by Rauch, Walls and Lane, Inc., dated May 1992, Scale 1" = 200', and recorded among the Plat Records of Talbot County, Maryland, in Plat Cabinet 2, folio 55CC.

(c) All that land described as Phase I of the proposed Cooke's Hope Village consisting of 27.394 acres, more or less, as more particularly shown and described on a plat consisting of two (2) sheets titled, "SUBDIVISION PLAT PHASE I COOKE'S HOPE P.U.D. IN THE TOWN OF EASTON IN THE FIRST ELECTION DISTRICT, TALBOT COUNTY, MARYLAND," dated May 1996 (revised through 8/16/96), prepared by McCrone, Inc. and recorded among the Plat Records of Talbot County, Maryland in Plat Cabinet 3, Plat Nos. 86EE and 87E.

(d) All that real property described as The Galloways and shown as "AREA = 50.430 ACRES (TOTAL)" on sheet 1 and 2 of a plat entitled "FINAL PLAT OUTLINE BOUNDARY PHASE 1B, THE GALLOWAYS FIRST ELECTION DISTRICT, TALBOT COUNTY, MARYLAND," dated January 1999, prepared by Lane Engineering, Inc. and recorded among the Plat Records of Talbot County, Maryland in Plat Cabinet 4, Plat Nos. 87GG and 88G, containing 50.430 acres more or less, as well as any plat showing future phases of The Galloways.

(e) All that real property described as Phase Two of the Cooke's Hope Village consisting of 23.035 acres, more or less, as more particularly shown and described on a plat titled "FINAL PLAT PHASE TWO 'COOKE'S HOPE P.U.D.' IN THE TOWN OF EASTON, TAX MAP 42 GRID 10 PARCEL 268 TALBOT COUNTY, MARYLAND," dated October 1999, and recorded among the Plat Records of Talbot County, Maryland in Plat Cabinet No. 5, Plat No. 22I.

(f) All that real property described as Phase III of the Cooke's Hope Village consisting of 24.959 acres, more or less, as more particularly shown and described on a plat titled "FINAL PLAT FOR COOKE'S HOPE VILLAGE III IN THE TOWN OF EASTON TALBOT

COUNTY, MARYLAND TAX MAP 42 GRID 4 PART OF PARCEL 268,” dated December 2002, prepared by Lane Engineering, Inc. and recorded among the Plat Records of Talbot County, Maryland in Plat Cabinet 81, Plat No. 274.

2. Property Not Subject to Second Amended Declaration.

(a) That remaining property, which is part of Cooke’s Hope but not specifically described herein in this Article II, Sections 1(a) through 1(f), shall not be subject to the terms, conditions and restrictions of this Second Amended Declaration.

(b) For so long as the Successor Declarants shall own land in Cooke’s Hope as described in Section 2(a) hereto, such land may remain not subject to the Second Amended Declaration. Such land may be developed, subdivided and recorded into lots but may not be used, or contracted or sold to any buyer, for residential occupancy unless and until the applicable land or lot is annexed to the within Second Amended Declaration, thereby becoming part of the Property of Cooke’s Hope as provided in Section 3 hereof.

3. Additions. The Successor Declarants may add portions of Cooke’s Hope to the Property as described in Section 2(b) hereof without the assent of the Board of Directors or Members of the Association, provided that the scheme of development of the Cooke’s Hope Community is thereby extended by annexing the provisions of this Second Amended Declaration as amended to the land before sale thereof as provided in such Section 2(b).

Any such annexation shall be made following receipt by the Successor Declarants of any necessary consent thereto by the appropriate governmental authorities having jurisdiction and by recording a supplementary Declaration of Covenants and Restrictions, incorporating the provisions of such Second Amended Declaration as amended among the land records of Talbot County.

ARTICLE III

1. Association Membership. The Association shall have one class of Members. Every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, including the Successor Declarants and contract sellers, who is a record Owner of a fee interest in any subdivided and recorded Lot within the Cooke’s Hope Community, shall be 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. Each Member who is then in good standing as provided in the Bylaws of the Association shall be entitled to one (1) vote for each subdivided and recorded Lot in which such Member holds the interest required for Membership in the Association. When there is more than one record Owner of a Lot, all of such record Owners shall be Members; however, the vote for such Lot shall be exercised as such Owners shall among themselves determine and, in no event, shall more than one (1) vote be cast with respect to such Lot. Anything to the contrary notwithstanding, Successor Declarants shall not have the right to develop or subdivide in Cooke’s Hope as defined herein a total number of subdivided and recorded lots as shall exceed a

maximum of three hundred and sixty five (365), unless otherwise approved by the Association and all governmental authorities having jurisdiction over the Cooke's Hope Community.

2. Preemptive Rights. The Members of the Association shall have no preemptive rights, as such Members, to acquire any Memberships of this Association that may at any time be issued by the Association except as may be specifically provided in this Article.

ARTICLE IV

1. Member's Right of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Areas and Community Facilities and such easement shall be appurtenant to and shall pass with the fee title to every Lot subject to the following:

(a) the right of the Association, in accordance with its Articles of Incorporation and Bylaws, and with the approval of the Members in good standing of the Association entitled to cast at least sixty percent (60%) of the total votes of the Membership, to borrow money for the purpose of improving the Common Areas and Community Facilities in a manner designed to promote the enjoyment and welfare of the Members and in aid thereof to mortgage any of the Common Areas and Community Facilities; and

(b) the right of the Association to take such steps as are reasonable necessary to protect the Property of the Association against mortgage default and foreclosures; provided, however, that the same are in conformity with the other provisions of this Second Amended Declaration; and

(c) the right of the Association to adopt reasonable rules respecting use of the Common Areas and Community Facilities and to reasonably limit the number of guests of Members permitted to use any facilities which are developed upon the Property; and

(d) the right of the Association to suspend the voting rights and the rights to use the Common Areas and Community Facilities for any period in excess of ninety (90) days during which any Annual Dues or other assessment or charge remains unpaid and to take any other action as authorized herein for any infraction of any of the other published rules and regulations of the Association; and

(e) the right of the Association to dedicate or transfer all or any part of the Common Areas or Community Facilities to any public or municipal agency, authority or utility for purposes consistent with the purpose of this Second Amended Declaration and subject to such conditions as may be agreed to by the Members; provided, however, that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless Members in good standing of the Association entitled to cast at least sixty percent (60%) of the total votes of the Membership consent to such dedication, transfer, purpose and conditions; and, provided further, that any such dedication or transfer shall also be subject to the limitations provided for in Article IX of this Second Amended Declaration; and

(f) the right of the Association to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or

appurtenances, whether public or private, the installation of cable television lines, to any municipal agency, public utility, the Successor Declarants or any other person; provided, however, that no such licenses, rights-of-way or easements shall be unreasonably and permanently inconsistent with the rights of the Members to the use and enjoyment of the Common Areas and Community Facilities.

2. Delegation of Right of Use. Subject to the terms and conditions of Section 10 of Article VII with respect to Boat Slips, any Member of the Association may delegate his rights to the use and enjoyment of the Common Areas and Community Facilities to the members of his family who reside permanently with him and to his tenants' guests.

ARTICLE V

1. Annual Dues Assessments.

(a) Each Owner of a Lot within the Property, (i.e., each Member of the Association), 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 the Association, in advance, on the first day of each calendar quarter, a sum (herein referred to as "the Annual Dues Assessment") equal to one-fourth (1/4th) of the Member's proportionate share of the sum required by the Association, as estimated by its Board of Directors, to meet its annual expenses, including but in no way limited to the following:

(i) the cost of all operating expenses of the Common Areas and Community Facilities and the services furnished to or in connection with the Common Areas and Community Facilities, including charges by the Association for any services furnished by it; and

(ii) the cost of necessary management and administration of the Common Areas and Community Facilities, including fees paid to any Management Agent; and

(iii) the amount of all taxes and assessments levied against the Common Areas and Community Facilities; and

(iv) the cost of liability insurance on the Common Areas and Community Facilities and the cost of such other insurance as the Association may effect with respect to the Common Areas and Common Facilities; and

(v) the cost of utilities and other services which may be provided by the Association, whether for the Common Areas and Community Facilities; and

(vi) the cost of maintaining, replacing, repairing, and landscaping the Common Areas, including, without limitation, maintenance of any storm water detention basins or the like located upon the Common Areas and the cost of the maintenance of all pathways upon the Common Areas; and

(vii) the cost of providing for grass cutting and lawn maintenance of all Common Areas, and the maintenance and operation of the Community Facilities; and

(viii) the cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for replacements; and

(ix) the cost of legal, accounting, architectural and other professional services.

(b) The Board of Directors shall determine the amount of the Annual Dues Assessment annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board of Directors, installments of annual assessments may be levied and collected on a monthly, semi-annual or annual basis rather than on the quarterly basis hereinabove provided for. Any Member may prepay one or more installments on any Annual Dues Assessment levied by the Association, without premium or penalty.

(c) The Board of Directors shall make reasonable efforts to fix the amount of the Annual Dues Assessment against each Lot for each assessment period at least thirty (30) days in advance of the beginning of such period and shall, at that time, prepare a roster of the Lots and the Annual Dues Assessment applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice to the Board. Written notice of the Annual Dues Assessment shall be sent to the Members. The omission by the Board of Directors, before the expiration of any assessment period, to fix the amount of the Annual Dues Assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any Member from the obligation to pay the Annual Dues Assessment, or any installment thereof, for that or any subsequent assessment period shall continue until a new Annual Dues Assessment is fixed. No Member may exempt himself from liability for Annual Dues or other assessments by abandonment of any Lot belonging to him or by the abandonment of his right to the use and enjoyment of the Common Areas and Community Facilities.

(d) Except as may be specifically provided for herein, this Second Amended Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the Dwellings or their appurtenances and the responsibility and duties of the Association for maintenance and repairs shall be limited to the Common Areas and Community Facilities.

2. Special Assessments. In addition to the regular Annual Dues Assessments authorized by this Article, the Association may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, extraordinary repair or replacement of a described capital improvement located upon, or forming a part of the Common Areas and Community Facilities, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate; provided, however, that any such special assessment shall have the assent of the Members in good standing of the Association entitled to cast at least sixty percent (60%) of the total votes of the Membership.

3. Reserves for Replacements. The Association shall establish and maintain a reserve fund for the replacement of the Common Areas and Community Facilities, by the allocation and payment calendar quarterly by the Board of Directors. Such fund shall be

conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America or in other investment grade securities deemed adequately prudent for these purposes.

The reserve for replacement of the Common Areas and Community Facilities may be expended only for the purpose of affecting the replacement of the Common Areas and Community Facilities, major repairs, equipment replacement, and operating contingencies of a not-recurring nature relating to the Common Areas and Community Facilities. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate.

4. Increase in Annual Dues Assessments.

(a) From and after January 1, 1990, the Annual Dues Assessment for all Memberships may be increased by the Board of Directors without a vote of the Membership, by an amount equal to five percent (5%) of the annual assessment for the preceding year plus the amount by which any ad valorem real estate taxes and casualty and other insurance premiums and utility costs payable by the Association have increased over amounts payable for the same or similar items for the previous year, plus the amount by which the Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. City Average, All Items, published by the Bureau of Labor Statistics of the Department of Labor of the United States (1982-1984=100) shall have increased above the level prevailing as of the date of the recording of this Second Amended Declaration. In addition to the foregoing, the Annual Dues Assessment may be further increased as may be dictated by the results of a comprehensive analysis of reserve requirements.

(b) The Annual Dues Assessments for all Memberships may be increased above that established by the preceding paragraph by a vote of the Members, as hereinafter provided, for the next succeeding year and, thereafter, at the end of such year, for each succeeding year. Any change made pursuant to this paragraph shall have the assent of the Members of the Association in good standing entitled to cast at least sixty percent (60%) of the total votes of the Membership.

5. The Galloways Assessment and Maintenance Easement.

(a) Reservation of Maintenance Easement. The Association hereby reserves for themselves, their successors and assigns, a nonexclusive easement for access and maintenance through, over and across each Lot located within The Galloways for the purpose of maintaining, repairing, improving or altering any Lot and/or exterior of any structure located in The Galloways.

(b) Galloways Assessment. The Board of Directors of the Association shall have the authority to levy and collect assessments for The Galloways, in addition to the Annual Dues Assessment and special assessments which may be levied against all properties within the Cooke's Hope community, for purposes including but not limited to the maintaining, repairing, improving or altering any Lot and/or the exterior of any townhome or Townhome Group.

Maintaining, repairing, improving or altering includes, but is not limited to, lawn and yard maintenance, roof repairs, and painting and siding.

6. The Village of Cooke's Hope Assessment and Maintenance Easement.

(a) Reservation of Maintenance Easement. The Association hereby reserves for themselves, their successors and assigns, a nonexclusive easement for access and maintenance, through, over and across each Lot located within The Village of Cooke's Hope for the purpose of maintaining, repairing, improving or altering any Lot or the exterior of any common roof of any duplex or attached Dwelling or structure located in the Village of Cooke's Hope.

(b) The Village of Cooke's Hope Village Assessment. The Board of Directors of the Association shall have the authority to levy and collect assessments for The Village of Cooke's Hope, in addition to the Annual Dues Assessment and special assessments which may be levied against all properties within the Cooke's Hope community, for purposes including, but not limited to, maintaining any Lot or maintaining, repairing, improving, or altering the exterior of any common roof of any such duplex or attached Dwelling or structure within The Village of Cooke's Hope. Maintenance of a Lot within The Village of Cooke's Hope includes, but is not limited to, lawn and yard maintenance.

ARTICLE VI

1. Non-Payment of Assessments and Charges.

(a) Any Annual Dues or special assessment levied pursuant to this Second Amended Declaration, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon and the cost of collection thereof, including reasonable attorney's fees, become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied and shall bind such Lot or Lots in the hands of then Owners, his heirs, devisees, personal representatives and assigns. The personal obligation of the Member to pay such assessment shall, in addition, remain his personal obligation for the statutory period and a suit to recover a judgment for non-payment of any assessment levied pursuant to this Second Amended Declaration, or any installment thereof, may be maintained without foreclosing or waiving the lien herein created to secure the same.

(b) Any assessment or charge levied pursuant to this Second Amended Declaration, or any installment thereof, which is not paid within fifteen (15) days after it is due, may, upon resolution of the Board of Directors, bear interest at a rate not to exceed the maximum legal rate permitted from time to time in the State of Maryland, and may, by resolution of the Board of Directors, subject the Member obligated to pay the same to the payment of such penalty or "late charge" as the Board of Directors may fix, and the Association may bring an action at law against the Member personally obligated to pay the same, or foreclose on the lien against the Lot or Lots then belonging to said Member in the manner now or hereafter provided for the foreclosure of mortgages, deed of trust or other liens on real property in the State of Maryland containing a power of sale and consent to a decree, and subject to the same requirements, both

substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs and reasonable attorney's fees of not less than fifteen percent (15%) of the sum claimed shall be added to the amount of each assessment. Nothing herein shall authorize any late charge which shall exceed or not otherwise comply with the applicable provisions of the Maryland Homeowners Association Act.

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

(d) The Association may notify the holder of the first mortgage on any Lot for which any assessment or charge levied pursuant to this Second Amended Declaration becomes delinquent for a period in excess of thirty (30) 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 thirty (30) days, but any failure to give such notice shall not affect the validity of the lien for any assessment or charge levied pursuant to this Second Amended Declaration, nor shall any such failure affect any of the priorities established in this Article.

2. Assessment Certificates. The Association shall upon demand at any time furnish to any Member liable for any assessment or charge levied pursuant to this Second Amended Declaration (or any other party legitimately interested in the same) a certificate or statement in writing signed by an officer of the Association, setting forth the status of said assessment or charge, i.e., whether the same is paid or unpaid. Such certificate or statement shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed Twenty-five Dollars (\$25.00) may be levied in advance by the Association for each certificate so delivered.

3. Acceleration of Installments. Upon default in the payment of any one or more monthly installments of any assessment levied pursuant to this Second Amended Declaration, or any other installment thereof, the entire balance of said assessment or charge may be accelerated at the option of the Board of Directors and be declared due and payable in full.

4. Priority of Lien. The lien established by this Second Amended Declaration shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

- (a) General and special assessments for ad valorem real estate taxes on the Lot; and
- (b) The liens of any deeds of trust, mortgage instruments or encumbrances duly

recorded on the Lot prior to the assessment or charge thereon of the lien provided for in this Second Amended Declaration or duly recorded on said Lot after receipt of a written statement from the Board of Directors reflecting that payments on said lien were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance.

(c) Notwithstanding any other provision of this Second Amended Declaration to the contrary, the lien of any assessment or charge levied pursuant to this Second Amended Declaration upon any Lot, as in this Article provided, shall be subordinate to the lien of any deed of trust, mortgage or other encumbrance duly recorded on such Lot and made in good faith and for value received and shall in no way affect the rights of the holder of any such deed of trust, mortgage or other encumbrance; provided, however, that such subordination shall apply only to assessments or charges and installments thereof which have become due and payable prior to a sale or transfer of the Lot pursuant to a foreclosure of such deed of trust, mortgage or other encumbrance, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure. Any holder of any deed of trust, mortgage or other encumbrance duly recorded on the Lot and made in good faith and for the value received who comes into possession of the Lot pursuant to a foreclosure of such deed of trust, mortgage or other encumbrance, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and, except as may otherwise be provided by applicable law, any other purchaser at a foreclosure sale, shall take the Lot free of any claims for unpaid assessments or charges levied against the Lot which accrue prior to the time such holder comes into possession of the Lot or prior to the foreclosure sale, except for claims for a proportionate share of such unpaid assessments or charges resulting from a reallocation of such unpaid assessments or charges among the Lots upon the property. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not, however, relieve the mortgage in possession or the purchaser at any foreclosure sale from any liability for any assessments or charges thereafter becoming due, or from the lien herein created to secure the payment of such assessments or charges, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

(d) The Board of Directors may, in its sole and absolute discretion, extend the provisions of this Section to the holders of mortgages (or in the indebtedness secured thereby) not otherwise entitled thereto.

(e) Nothing herein shall authorize any late charge which shall exceed or not otherwise comply with the applicable provisions of the Maryland Homeowners Association Act, including but not limited to Section 117 thereof.

5. Commencement of Annual Dues Assessments. Except as may be otherwise resolved by the Board of Directors, the Annual Dues Assessment for Membership shall commence on the date a deed for the Lot to which such Membership is appurtenant is delivered by the Successor Declarants to the Member. The first calendar quarterly installment of each such

Annual Dues Assessment shall be made for the balance of the calendar quarter during which a deed for the Lot is delivered to the Member and shall become due and payable and a lien on the date a deed for the Lot is delivered to the Member. Except as herein elsewhere provided, the calendar quarterly installments of each such Annual Dues Assessment for the Lot for any calendar quarter after the first calendar quarter shall become due and payable and a lien on the first day of each successive calendar quarter.

ARTICLE VII

1. Architectural and Environmental Review Committee.

(a) Except for construction or development from time to time undertaken by, for or under contract with the Successor Declarants, and except for any improvements to any Lot or to the Common Areas or Common Facilities accomplished by the Successor Declarants concurrently with said construction and development, and except for purposes of proper maintenance and repair, no building, fence, wall or other improvements or structures shall be commenced, directed, placed, moved, altered or maintained upon the Property, nor shall any exterior addition to or change (including any change of color) or other alteration thereupon to be made until the complete plans and specifications showing the location, nature, shape, height, material, color, type of construction and any other proposed form of change (including, without limitation, any other information specified by the Architectural and Environmental Review Committee) shall have been submitted to and approved in writing as to safety, harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the Community.

(b) Subject to the same limitations as hereinabove provided for, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, fences, walls, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any improvements constructed upon any Lot or upon any of the Common Areas or Common Facilities, or to remove or alter any windows, or exterior doors of any Dwelling, until the complete plans and specifications, showing the location, nature, shape, height, material color, type of construction and any other proposed form of change (including, without limitation, any other information specified by the Architectural and Environmental Review Committee) shall have been submitted to and approved in writing as to safety, harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the Community by the Architectural and Environmental Review Committee.

(c) No landscaping shall be installed, removed or materially altered on any of the Lots until complete plans with respect thereto (including without limit, any other information

specified by the Architectural and Environmental Review Committee) shall have been submitted to and approved in writing as to safety and harmony in design in relation to the surrounding Lots and topography and conformity with the design concept for the Community by the Architectural and Environmental Review Committee.

2. Architectural and Environmental Review Committee – Composition and Operation.

(a) The Architectural and Environmental Review Committee shall be composed of not less than three (3) persons nor more than five (5) persons.

The Members of the Architectural and Environmental Review Committee may have staggered terms grouped and staggered as the Board shall deem most appropriate.

Upon the expiration of each of the aforesaid terms of office, the Board of Directors, by a majority vote, shall appoint the new Members of the Architectural and Environmental Review Committee and such Members shall serve a three (3) year term of office, unless an initial term of one (1) or two (2) years, followed by uniform terms of three (3) years, is needed to achieve efficient staggering of terms.

(b) The affirmative vote of a majority of the Members of the Architectural and Environmental Review Committee shall be required in order to recommend to the Board the adoption or promulgation of any rule or regulation, or to make or recommend any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like, pursuant to the authority granted to the Architectural and Environmental Review Committee as contained in this Article.

(c) Any Member of the Architectural and Environmental Review Committee may, at any time, resign from the Architectural and Environmental Review Committee upon written notice to the Board of Directors. Vacancies on the Architectural and Environmental Review Committee, however caused, shall be filled by a majority vote of the Board of Directors within thirty (30) days of the creation of the vacancy. Any new Member appointed to the Architectural and Environmental Review Committee to fill a vacancy shall serve the unexpired term of the Member vacated. Members of the Architectural and Environmental Review Committee may serve successive terms.

3. Approvals. Upon approval by Architectural and Environmental Review Committee of any plans and specifications submitted pursuant to the provision of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such the Architectural and Environmental Review Committee, and a copy of such

plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Architectural and Environmental Review Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within sixty (60) days after such plans and specifications (and all other materials and information required by the Architectural and Environmental Review Committee) have been submitted to it in writing, then approval will not be required and this Article will be deemed to have been fully complied with.

4. Limitations. Construction or alterations in accordance with plans and specifications approved by the Architectural and Environmental Review Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are approved by the Architectural and Environmental Review Committee (whether by affirmative action or by forbearance from action, as in Section 3 of this Article provided), and shall be substantially completed within twelve (12) months following the date of commencement, or within such other period as the Architectural and Environmental Review Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specification by the Architectural and Environmental Review Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviation from the plans and specifications approved by the Architectural and Environmental Review Committee without the prior consent in writing of the Architectural and Environmental Review Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural and Environmental Review Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

5. Certificate of Compliance. Upon the completion of any construction or alterations or other improvements or structures in accordance with plans and specifications approved by the Architectural and Environmental Review Committee in accordance with the provisions of this Article, the Architectural and Environmental Review Committee shall, at the request of the Owners thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration or other improvements referenced in such certificate have been approved by the Architectural and Environmental Review Committee and constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of the Second Amended Declaration as may be applicable.

6. Rules and Regulations – Architectural Control. The Architectural and Environmental Review Committee may from time to time recommend to the Board such rules and regulations regarding the form and contents of plans and specifications to be submitted for approval by the Board, and, upon approval, the Board shall publish and record such statements of

policy, standards, guidelines and establish such criteria relative to architectural styles or details, landscaping, fences, colors, setbacks, materials or other matters relative to architectural control and the protection of the environment as it may consider necessary or appropriate. Unless the Board shall approve a policy not to enforce a specific covenant, rule, regulation, restriction, or policy pending further action by the membership of the Association as provided in Article VII, Section 12(d) of this Second Amended Declaration, no such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provisions or requirement of this Declaration. The Architectural and Environmental Review Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decisions of the Architectural and Environmental Review Committee shall be final except that any Member who is aggrieved by any action or forbearance from action by the Architectural and Environmental Review Committee may appeal the decision of the Architectural and Environmental Review Committee to the Board of Directors and, upon the request of such Member, shall be entitled to a hearing before the Board of Directors.

7. Prohibited Uses and Nuisances.

(a) Except for the activities of the Successor Declarants and its assignees during the construction or development of the Community, or except as provided as a specific exception hereto as recommended by the Architectural and Environmental Review Committee and approved by the Board, or as may be necessary in connection with reasonable and necessary repairs or maintenance upon the Common Areas or Common Facilities:

(i) No noxious or offensive trade or activity shall be carried on upon any Lot or within any Dwelling, nor shall anything be done therein or thereon, which may be or become an annoyance or nuisance to the neighborhood or other Members. Without limiting the generality of the foregoing, no speaker horn, whistle, siren, bell or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Dwelling or upon the exterior of any other improvements.

(ii) The maintenance, keeping, boarding or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited on any Lot or within any Dwelling, except that this shall not prohibit the keeping of dogs, cats or customary household animals as domestic pets, provided that such animals are not kept, bred or maintained for commercial purposes and, provided further, that such domestic pets are not a source of annoyance or nuisance to the neighborhood or Owners and do not roam at large. The Board of Directors shall have the authority, after a hearing, to determine whether a particular pet is a nuisance or a source of annoyance to other Members, and such determination shall be conclusive. Pets shall be attended at all times and shall be registered, licensed and inoculated as

may from time to time be required by law. Pets shall not be permitted upon the Common Areas or Community Facilities unless accompanied by a responsible person and unless they are carried or leashed. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets that it may from time to time consider necessary or appropriate. Notwithstanding the foregoing, the maintenance of horses, cattle and other livestock in future Common Areas of the Property as expanded shall be permitted.

(iii) No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot, except building materials during the course of construction of any approved Dwelling or other permitted structure.

(iv) No burning of trash shall be permitted on any Lot. If trash or other refuse is to be disposed of by being picked up and carried away on a regular 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 any public way or from any other Lot.

(v) No junk vehicle, unlicensed or inoperable motor vehicle, commercial vehicle, (including, without limitation, panel trucks and other vehicles displaying the names or logos of businesses), trailer, camp truck, boats stored on trailers, house trailers, horse trailers, bus or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be customary and usual in connection with the use and maintenance of any Lot) shall be kept upon the Property unless stored or parked within garages or other permitted structures nor (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon.

(vi) No structure of a temporary character shall be erected, used or maintained on any Lot at any time.

(vii) No structure shall be erected, placed or maintained on any Common Area except:

- (1) structures designed for the common use of Owners; and
- (2) drainage, storm and utility systems.

The Common Areas may be graded, planted with trees, shrubs or other plants 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, or for aesthetic reasons. Notwithstanding the foregoing, structures necessary for the maintenance of livestock in the common areas shall be permitted.

(viii) Except for entrance signs, directional signs, signs for traffic control or safety and such promotional sign or signs as may be maintained by the Successor Declarants, and except as may be permitted by rule or regulation of the Association or as may be otherwise required by law, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any Lot or Dwelling.

(ix) With the exception of any Community Facility and with the exception of Lot 31 and Lot 31A in the Village of Cooke's Hope as recorded on August 29, 2018 in the Land Records of Talbot County, Maryland in Liber 86, folio 58, no commercial activities shall be conducted on any Lot, except an Owner may conduct within a Dwelling a no-impact home-based business as defined by the Maryland Homeowners Association Act, and except as may be required by law or permitted by rule or regulation promulgated by the Association.

(x) No Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth.

(xi) No structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction or flow of any drainage channels.

(xii) No sound hardwood trees measuring in excess of six (6) inches in diameter, two (2) feet above the ground, shall be removed from any Lot without written approval of the Architectural and Environmental Review Committee. The Architectural and Environmental Review Committee may, from time to time, recommend to the Board for adoption and promulgation such additional rules and regulations regarding the preservation of trees and other natural resources and wildlife as it may consider appropriate.

(xiii) No poles or wires for the transmission of electricity, telephone and the like shall be placed or maintained above the surface of the ground on any Lot.

(xiv) No outside television aerial or radio antenna, or other aerial or antenna for either reception or transmission, shall be maintained upon any Lot except that such aerials or antennae may be erected and maintained within the Dwellings. A single satellite dish may be maintained on a Lot provided said dish conforms in size, location and other specifications to such rules, regulations or guidelines as recommended by the Architectural and Environmental Review Committee and approved by the Board.

(xv) No Lot shall be subdivided provided, however, this restriction shall not apply to any Lot owned by the Successor Declarants.

(xvi) No hunting shall be permitted on any Lot.

(xvii) No Dwelling and/or building appurtenant thereto, including detached garages and accessory buildings, shall be located within any setback lines in violation of any zoning or subdivision law, rule or regulation of any governmental authority having jurisdiction.

(xviii) No dock, pier or boat ramp shall be erected on, adjacent to or appurtenant to any Lot.

(xix) Except as provided in subsection (xxii) of this Section 7, no excavation shall be made on any Lot except for the purpose of building thereon or establishing, maintaining, or improving proper drainage on any Lot, and no earth or sand shall be removed from any Lot except as a part of such operations; provided, however, that this restriction shall not be construed to prohibit the construction of swimming pools or ponds.

(xx) No exterior lighting shall be placed or fixed in such a manner as to cause a concentrated beam to be directed outside the boundaries of any Lot.

(xxi) No Lot shall be so used as to cause any pollution to waterways, streams or ponds on or adjacent to the Lots or to any adjoining property's water supplies. No Lots shall be so used or maintained as to cause any erosion of soil or sediment into such waterways, streams or ponds. During the grading and construction of any improvements upon any Lot, adequate arrangements shall be made to insure that no erosion of soil or sediment into such waterways, streams or ponds shall take place.

(xxii) The drilling of wells and the construction of private sewage disposal systems upon all Lots, and the proper maintenance and restoration thereof, shall be in strict accordance with the Health Department regulation of Talbot County and/or the State of Maryland.

(xxiii) The parking of any type of vehicle, including but not limited to cars, vans, trucks and/or trailers on any Private Road or any area designated as an "alley" on any Plat is prohibited. Parking on a Private Road may be permitted under the following limited circumstances: (1) when said parking is incidental to a permitted function or gathering at a Lot and parking on the Private Road is necessary to accommodate the Owner's guests; or, (2) when construction, maintenance or repair work being performed on a Lot requires the Owner to park its vehicle(s) on the Private Road.

(xxiv) No accessory building and/or structure appurtenant to the Dwelling shall be located on any Lot within the Galloways, unless said building or structure and its location are approved by the Architectural and Environmental Review Committee.

(b) These restrictions shall not be construed as permitting any action or thing prohibited by the applicable zoning laws, or the laws, rules or regulations of any appropriate governmental authority. In the event of any such conflict, the most restrictive provision of such laws, rules, regulations or the restrictions shall be deemed to govern and control.

8. Residential Use. Except to the extent provided for herein this Second Amended Declaration or otherwise as may be required by law, all Dwellings shall be used for private residential purposes exclusively. Nothing contained in this Article, or elsewhere in this Second Amended Declaration, shall be construed to prohibit the Successor Declarants from the use of any Lot or Dwelling owned or leased by any of them for promotional or display purposes, or as “model homes”, a sales office, or the like.

9. Maintenance.

(a) Each Owner shall keep his Lot, and all improvements therein or thereon, in good order and repairs, including, but not limited to, the seeding, watering and mowing of the lawn, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management.

(b) For purposes of maintaining a consistent standard of good property management in the more densely populated areas of the Community, the Board may provide by standing rule or policy that certain kinds of Lotfront landscaping and grounds maintenance at specified periods during the year be performed at Owner’s expense by professional contractors selected and approved by the Association. The Board has determined that The Galloways and The Village of Cooke’s Hope, and limited thereto, are areas of the Cooke’s Hope Community which require such maintenance. In connection therewith, the Board shall negotiate reasonable annual costs and equitable fees on a group discount basis for those who are required or elect to avail themselves of these professional services.

10. Boat Slips. There are twenty-four (24) Boat Slips currently located at the Community Dock. The Association with the approval of Members in good standing entitled to cast at least sixty percent (60%) of the votes, shall have the right to enlarge the Community Dock and to construct additional Boat Slips or to reconfigure the Boat Slips. The Owners shall have the exclusive use of the Boat Slips subject to such rental as may be established by the Board of Directors from time to time, but such use may not be assigned, delegated or transferred to others.

As among the Owners, each of the waterfront Lot Owners shall on an annual basis have the right of first refusal for the use of a Boat Slip, which right shall be exercisable by such Owner giving written notice of his desired use for the ensuing calendar year to the Board of Directors by no later than thirty (30) days prior to December 31st of the current year. Such Boat Slips that the waterfront Lot Owner do not elect to lease shall be made available to the Owners of the interior Lots on a “first come – first serve” basis or in accordance with such other method of selection as may be adopted by the Board of Directors from time to time.

11. Community Rules.

(a) Community Rules. The Board of Directors may, from time to time, adopt and promulgate such rules and regulations regarding the use of the Common Areas and Common Facilities as it may consider necessary or appropriate. Except as otherwise expressly provided in this Second Amended Declaration, no such rules, regulations, statements, criteria or the like shall be construed as a waiver of the terms or conditions of any provision or requirement of this Declaration. The decision of the Board of Directors shall be final.

(b) Leasing. Any lease agreement between an Owner and a tenant for occupancy of a Dwelling shall provide that the terms of the lease are subject in all respects to the provisions of this Second Amended Declaration, the Articles of Incorporation, Bylaws, and rules and regulations of the Association, and that any failure by the Owner or the tenant to comply with the terms of the foregoing documents shall be a default under the lease. All such leases shall be in writing and shall be for a term of not less than six (6) months. All such leases shall provide that the Association shall have the right, but not the obligation, to terminate such lease upon default by the Owner or the tenant in observing any of the provisions of this Second Amended Declaration, the Articles of Incorporation, Bylaws, and rules and regulations of the Association or of any other document or instrument governing the Dwelling and Lot, and to pursue any and all rights and remedies as may be available, at law or in equity, including, without limitation, evicting the tenant from the Dwelling. The Owner shall be liable to pay any and all costs and expenses incurred by the Association in the event of a default by either the Owner or the tenant including, without limitation, all attorney’s fees, expenses and court costs, and the tenant shall be jointly and severally liable with the Owner for all such costs, fees and expenses incurred by the Association in the event of default caused by the tenant. The Owner of a Lot that is leased shall also be jointly and severally liable with the tenant to pay for any claim for injury or damage to persons or property caused by any action or omission by the tenant, including, without limitation, the negligence of the tenant. The Owner of a Lot, at his expense, shall provide copies of all executed leases to the Board of Directors within ten (10) days prior to the effective date of such lease. Every lease shall be subordinate to any lien filed by the Association, whether before or after the date of such lease.

The requirements respecting leasing shall be subject to certain exemptions, conditions, and policies as may be approved and modified from time to time by the Board. In addition to other exemptions as may be deemed advisable, exemptions from the leasing requirement shall be provided to members of the family (as liberally defined) of the Owners or their domestic partners and to persons for whom, or by whom, health or other care or support is given or received by an Owner or domestic partner, a tenant registered under a lease duly filed with the Association or an exempt occupant.

12. Enforcement – Right to Remove or Correct Violations.

(a) In the event any violation or attempted violation of any of the covenants or restrictions contained in this Article shall occur or be maintained upon any Lot, or in the event of any other conduct in violation of any of the provisions or requirements of this Second Amended Declaration, then the same shall be considered to have been undertaken in violation of the Second Amended Declaration and, upon written notice from the Board, such violation shall be promptly removed or abated. In the event the same is not removed, or the violation is not otherwise terminated or abated, within fifteen (15) days (or such shorter period as may be required in any such notice) after notice of such violation is delivered to the Owner of the Lot upon which such violation exists, then (i) the Board may engage legal counsel and initiate legal proceedings to enforce the violation or attempted violation, (ii) the Board shall have the right, through its agents and employees, to enter upon such Lot and to take such steps as may be necessary to remove or otherwise terminate or abate such violation, or (iii) the Board may take such other action as it deems appropriate to terminate or remediate the violation.

(b) The costs and expenses of any such action taken, including legal fees and litigation expenses, may be assessed against the Lot upon which such violation occurred and when so assessed, a statement for the amount thereof shall be rendered to the Owner of said Lot at which time the assessment shall become due and payable and a continuing lien upon such Lot, and a binding personal obligation of the Owner of such Lot.

(c) Any lien established upon a Lot by this Second Amended Declaration shall have preference over any other assessments, liens, judgments or charges of whatever nature, except for: (1) general and special assessments for ad valorem real estate taxes on the Lot and (2) the liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Lot prior to the assessment thereon of the lien or duly recorded on said Lot after receipt of a written statement from the Board reflecting that payments on any lien imposed pursuant to this Section 12 were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance. Upon receipt of a written request, the Board shall issue a written statement certifying as to the existence of any liens established pursuant to this Section 12 within fourteen (14) days following receipt of such written request. In the event that the Board shall fail to issue

such a written certification within the aforesaid fourteen (14) day period, a presumption shall be established that no such lien exists and the person or entity requesting the written certification shall be entitled to rely upon such failure to issue a written certification as conclusive evidence of the absence of any such lien. The Board shall have the further right, through its agents or employees, to enter upon and inspect any Lot at any reasonable time for the purpose of ascertaining whether any violation of the provisions of this Article or any of the other provisions or requirements of this Second Amended Declaration exist on such Lot; and neither the Board nor any such agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

(d) Although no waiver of the right to enforce a Covenant, Restriction, rule, regulation or policy provided for in this Second Amended Declaration is to be implied or otherwise construed to arise from non-enforcement thereof, the Board may determine that exceptional circumstances exist indicating that enforcement of one or more Covenants or Restrictions would cause undue or unjust economic or other hardship or unjust inequities among Members, whether arising from previous non-enforcement or materially inconsistent enforcement, or that enforcement of a specific provision or provisions is not in the best interests generally of the Membership. Under these circumstances, the Board by resolution may:

- (i) Suspend enforcement in the future until acted upon by the Membership as provided hereafter;
- (ii) Suspend or terminate, permanently or otherwise, enforcement action against Owners for previous non-compliance with the relevant Covenant, Restriction or provision; and
- (iii) Authorize the Board, upon Member request, to certify that, notwithstanding the existing non-compliance and suspension or termination of enforcement by the Board, the Owners' Lot shall otherwise be deemed free of any non-compliance specifically related thereto as provided in subsection (c) above.

Upon approval of the above, within twelve (12) months thereafter, the Board shall submit approval of this action to the Membership of the Association at a Special Meeting called for this purpose or at an Annual Meeting held within this period. Approval by the Membership shall require the affirmative vote of at least sixty percent (60%) of the Members then in good standing as provided in the Bylaws. The action sought to be approved shall be as defined by the Board, and may include, without limitation, a formal deletion, addition or modification of a covenant or other provision of this Second Amended Declaration or of any other governing document of the Association.

ARTICLE VIII

1. Management Agent. The Board of Directors may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing.

The Management Agent, if any, shall perform such duties and services as the Board of Directors shall authorize in writing, including, without limitation:

(a) to establish (with the approval of the Board of Directors) and provide for the collection of the Annual Dues Assessment and any other assessments provided for in this Second Amended Declaration and to provide for the enforcement of liens therefor in a manner consistent with law and the provisions of this Second Amended Declaration; and

(b) to provide for the care, upkeep, maintenance and surveillance of the Common Areas and Community Facilities; and

(c) to designate, hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the Common Areas and Community Facilities; and

(d) to promulgate (with the approval of the Board of Directors) and enforce such rules and regulations and such restrictions or requirements, "house rules" or the like as may be deemed proper respecting the use of the Common Areas and Community Facilities; and

(e) to provide such other services (including accounting services) for the Association as may be consistent with the law and the provisions of this Second Amended Declaration.

2. Limitation of Liability. The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Areas or Community Facilities, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Areas or Community Facilities. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or Community Facilities, or from any action taken by the Association to comply with any of the provisions of this Second Amended

Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE IX

1. Reservation of Easement Rights by the Declarant. The Successor Declarants have previously reserved and continue to have the right to exercise a non-exclusive easement and right-of-way in, through, over and across the Common Areas and Community Facilities for the purpose of the installation, construction, maintenance, reconstruction and repair of sanitary sewer lines, water lines, cables, storm drains and appurtenances to any of the same, and for all other purposes reasonably related to the completion of construction and the provisions of utility services, whether public or private, to the Community and to other property adjacent to, or in the vicinity of, the Community. Any and all instruments of conveyancing made by the Successor Declarants to the Association with respect to any of the Common Areas and Community Facilities shall be conclusively deemed to incorporate this reservation, whether or not specifically set forth in such instruments. At the request in writing of the Successor Declarants, the Association shall from time to time execute, acknowledge and deliver to the Successor Declarants such further assurances of this reservation as may be necessary.

2. Easements for Utilities and Related Purposes. The Association is authorized and empowered to grant (and shall from time to time grant) such other licenses, easements and rights-of-way over the Common Areas and Community Facilities for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, cables, underground conduits and such other purposes related to the provisions of utility services to the Community as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the Common Areas and Community Facilities and for the preservation of the health, safety, convenience and welfare of the Owners or the Declarant.

3. Utility and Drainage Easements. The Successor Declarants have previously reserved and continue to have the right to exercise an easement over all land in each Lot lying within fifteen (15) feet of a roadway or within three (3) feet of a boundary with an adjacent Lot, for the installation of utility lines and drainage structures.

ARTICLE X

1. Amendment. This Second Amended Declaration may be amended only by an instrument executed and acknowledged by the Association certifying that Members of the Association in good standing have cast affirmative votes representing at least sixty percent (60%) of the total votes of the Membership, which instrument shall be recorded among the Land Records for Talbot County, Maryland. Unless a later date is specified in any such instrument,

any amendment to this Second Amended Declaration shall become effective on the date of recording.

2. Duration. Unless amended in accordance with the provisions of Section 1 of this Article X and the other requirements of this Second Amended Declaration, and except where permanent easements or other permanent rights or interests are herein created, the Covenants and Restrictions of this Second Amended Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Successor Declarants, and the Owner of any Lot subject to this Second Amended Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date of recordation of this Second Amended Declaration, after which the said covenants shall be automatically extended for successive periods of ten (10) years each.

3. Construction and Enforcement. As provided in Section 5 of this Article X and elsewhere in this Second Amended Declaration, the provisions hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of the Community. Enforcement of these Covenants and Restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenants or restriction, either to restrain or enjoin violation or to recover damages or both, and against any Lot to enforce the lien created hereby; and the failure or forbearance by the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter, except as may be expressly provided for herein.

There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants or restrictions cannot be adequately remedied by action at law or exclusively by recovery damages.

4. Successors of Declarant. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Successor Declarants hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Successor Declarants, with or without notice to the Association.

5. Incorporation by Reference or Resale. In the event any Owner sells or otherwise transfers any Lot, the deed purporting to effect such transfer shall contain, or if omitted shall be deemed and construed to contain, a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Second Amended Declaration.

6. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Second Amended Declaration shall be deemed to have been properly sent

when mailed, by ordinary mail, 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.

7. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Areas or Community Facility by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Areas or Community Facilities.

8. Severability. Invalidation of any one of these covenants or restrictions by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

9. Foreclosure of Liens by First Mortgages.

(a) No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to this Second Amended Declaration except after ten (10) days' written notice to the holder of the first mortgage on the Lot which is the subject matter of such suit or proceeding.

(b) Any first mortgagee of any Lot may pay any taxes, utility charges or other charge levied against the Common Areas and Community Facilities which are in default and which may or have become a charge or lien against any of the Common Areas and Community Facilities and any such first mortgagee may pay any overdue premiums on any hazard insurance policy or secure new hazard insurance coverage on the lapse of any policy, with respect to the Common Areas and Community Facilities. Any first mortgagee who advances any such payment shall be due immediate reimbursement of the amount so advanced from the Association.

10. Casualty Losses. In the event of substantial damage or destruction to any of the Common Areas or Community Facilities, the Board of Directors shall give prompt written notice of such damage or destruction to the holders of all first mortgages of record on the Lots. No provision of this Declaration or the Bylaws of the Association shall entitle any Member to any priority over the holder of any first mortgage of record on his Lot with respect to the distribution to such Member of any insurance proceeds paid or payable on account of any damage or destruction of any of the Common Areas or Community Facilities.

11. Condemnation or Eminent Domain. In the event any part of the Common Areas and Community Facilities is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board of Directors shall give prompt written notice of any such proceeding or proposed acquisition to

the holders of all first mortgages of record on the Lots. No provision of this Second Amended Declaration or the Bylaws of the Association shall entitle any Member to any priority over the holder of any first mortgage of record on his Lot with respect to the distribution to such Member of the proceeds of any condemnation or settlement relating to a taking of any of the Common Areas and Community Facilities.

12. Captions and Gender. The captions contained in this Second Amended Declaration are for convenience only and are not a part of this Second Amended Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Second Amended Declaration. Whenever the context so requires, the neuter and male shall include all genders and the singular shall include the plural.

IN WITNESS WHEREOF, the Association has caused this instrument to be properly executed and sealed as of the day and year first above written.

ATTEST:

COOKE'S HOPE HOMEOWNERS ASSOCIATION, INC.

Jean Galloway
Jean Galloway, Secretary

By: Stephen A. Carns (SEAL)
Stephen A. Carns, President

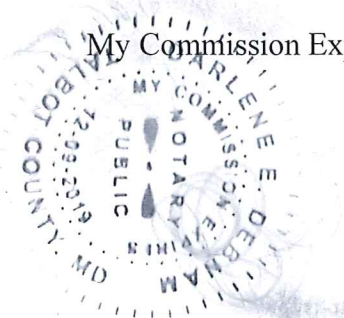
STATE OF MARYLAND, COUNTY OF TALBOT:

I HEREBY CERTIFY, that on this 11th day of June, 2019, before me, the subscriber, a Notary Public of the foregoing State and County, personally appeared Stephen A. Carns, who acknowledged himself to be the President of Cooke's Hope Homeowners Association, Inc., and that he as such President, being authorized so to do, executed the foregoing for the purposes therein contained, by signing the name of said non-stock corporation by himself as such President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal as of the day and year last above written.

Carlene Debraam
Notary Public

My Commission Expires: 12/9/2019



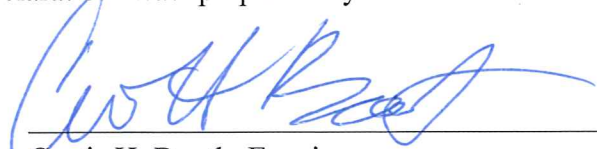
SECRETARY'S CERTIFICATION

I, Jean Galloway, the duly elected Secretary of the Cooke's Hope Homeowners Association, Inc. (the "Association"), on this 11th day of June, 2019, hereby certify that the foregoing Second Amended Declaration and Restatement of Covenants, Conditions and Restrictions was approved by the affirmative vote of members in good standing representing at least sixty percent (60%) of the total votes of the membership of the Association at the meeting of the Association held on May 18, 2019.



Jean Galloway, Secretary of the Association

The undersigned, a member in good standing of the Bar of the Court of Appeals in Maryland, hereby certifies that this Second Amended Declaration was prepared by his or under his supervision.



Curtis H. Booth, Esquire

LR - Covenant
Recording Fee 75.00
Declarant Name: COOKES
HOPE HOMEOWNERS
ASSOCIATE INC
Ref:
LR - Covenant
Surcharge 40.00
=====

SubTotal:	115.00
=====	
Total:	115.00

06/13/2019 12:50
CC20-CV
#12277496 CC0205 -
Talbot
County/CC02.05.01 -
Register 01



Kathleen M. Duvall, Clerk
Circuit Court for Talbot County

11 N. Washington St., Suite 16
Easton, Maryland 21601

License and Recording
410-822-2611 Ext. 4