

ATLANTIS COMMUNITY ASSOCIATION, INC.
DECLARATION OF COVENANTS, RESTRICTIONS AND
AFFIRMATIVE OBLIGATIONS

WHEREAS, by Deed date June 1, 1978, and recorded among the Land Records of Anne Arundel County, Maryland, in Liber 3088, folio 612, DICK RICE, INC., hereinafter referred to as "Declarant", is the owner of certain real property therein fully described;

WHEREAS, it is the intention of the Declarant to impose certain covenants, restrictions and conditions with respect to the lots hereinafter described, said lots being or intended to be all that tract of land described in the aforesaid Deed. The Lots which are the subject matter of this document are described as follows: Lots 1 through 258 inclusive, all as shown on the Plats entitled, "Atlantis", Plats One through Three, inclusive, which plats are recorded among the Land Records of Anne Arundel County in Plat Book 67, folios 48 through 50 inclusive.

NOW, THEREFORE, THIS DECLARATION WITNESSETH: That the Declarant, for itself, its successors, and assigns, in consideration of the premises, and for the benefit of the owners from time to time of the property hereby affected, does hereby declare that all the properties described above shall be held, sold and conveyed subject to the following covenants, restrictions, reservations, easements, liens, charges, conditions or other provisions contained herein which the owners thereof from time to time hereafter shall, by virtue of having accepted a deed thereto, by\e held to have covenanted on behalf of themselves their heirs, successors and assigns to keep and observe; said covenants, restrictions, conditions and other provisions shall be construed as covenants maintaining a "Scheme of Development" to bind all sections of "Atlantis".

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to the Atlantis Community Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property herein before described, and such additions thereto as may be hereafter brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean and refer to all real property owned by the Association including recreation and open space land as shown on the plats of Atlantis for the common use and enjoyment of the Owners.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Dick Rice, Inc., its respective successors and assigns it such successors and assigns should acquire more than one undeveloped Lot from Declarant for the purposes of development.

Section 7. "Members" shall mean lot owners in the Subdivision of Atlantis. "Associate Members" shall consist of members of the immediate families of the lot owners provided that said lot owner resides in the Subdivision. Associate Members shall also include tenants occupying the premises under a lease in the case where the member is not a resident of the Atlantis Subdivision.

ARTICLE II

PROPERTY OWNER ASSOCIATION MEMBERSHIP

Each Lot Owner, by acceptance of the Deed, shall become a member or associate member of the Association, be bound by the provisions of the By-Laws, and shall be responsible for the payment of its dues and assessments as outlined in the By-Laws and in Article IV of this Declaration.

ARTICLE III

PERMITTED USES

Section 1. All lots and parcels of land shown on the recorded plats of the subject lots shall be used for the following purposes only: single-family residential dwellings, parks, playgrounds, recreational areas, community and/or private clubs, schools and churches except that permitted structures may be used temporarily by builders, developers, or realtors during construction and subsequent sales periods. This restriction does not apply to lots or parcels specifically excepted therefrom by notation to that effect on any of the recorded plats, nor to any lots or parcels specifically designated on the recorded plats for some other purpose or purposes. Dick Rice, Inc., for itself, its successors or assigns, reserves the right to modify this restriction to permit the use of a portion of residence for business purposes of a professional nature so long as the primary use is residential.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation of Assessments . The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments and charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney fees, shall also be the personal obligation of the person who was Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments . The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area including the recreation and open space areas as shown on the plats of Atlantis, and of any structure situated upon the properties. The assessments shall not be used to contest zoning issues, nor to hire legal counsel to contest zoning issues.

Section 3. Maximum Annual Assessment. Until January 1st of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment shall be Fifty Dollars (\$50.00) per Lot.

(a) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year no more than 5% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above the 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

Section 4. Special Assessments for Capital Improvement. In addition to the annual assessments as authorized above, the Association may levy, in any calendar year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any assessment shall have the assent of two-thirds (2/3) of the votes of each class of member who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum of any Action Authorized Under Sections 3 and 4. Written Notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice 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.

Section 6. Uniform Rate of Assessment . Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments, Due Dates. The annual assessments provided herein shall commence as to all Lots on the first day of January of the year following conveyance of the Common Area. 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.

Section 8. 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 eight (8%) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose this lien against the property. No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, 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 Owner from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All properties dedicated to, and accepted by, a local public authority shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 11. The obligation with respect to assessments contained in this Article IV shall not apply to the owner-developer, the Declarant, or its successors or assigns.

ARTICLE V

OPEN SPACE

Section 1. Open Space and recreation area shall consist of that portion on the plats of Atlantis Subdivision indicated on said plats as "Open Space and Recreation Area" that is deeded to the Association and for use only as indicated on the Plats.

ARTICLE VI

GRADES AND SLOPES

Section 1. There is expressly reserved unto the Declarant, its successors or assigns the sole and exclusive right to establish grades and slopes (including surface and subsurface drainage) on all lots and to fix the grade at which any dwelling or other structure shall hereafter be erected, or placed thereon so that the same shall conform to a general plan, subject only to compliance with the regulations of public authorities having control thereof, if any.

ARTICLE VII

USE RESTRICTIONS AND EASEMENTS

Section 1 . Open Space and Recreation Area . The Open Space and Recreation Areas shall be open only to the use of the Members and Associate Members of the Association.

Section 2. Fences and Walls. No fence or wall shall be erected, placed or altered on any residential lot except in accordance with the following specifications:

All fences or walls shall be made of wood only and shall be permitted to extend from the rear corners of each respective dwelling house at right angles to the said lot lines for each such respective dwelling house, thence to the rear corners of said lot and thence across the rear lot line for each dwelling house. No fence or wall shall be more than forty two (42") inches high.

Fences alongside of or in front of dwelling are not to be permitted except as decorative walls and gates, screening fences, refuse storage receptacles, and retaining walls may be permitted upon express written consent of the Declarant, its successors or assigns.

Section 3. Signs. No commercial sign of any kind shall be displayed to public view on any dwelling lot except that sign not exceeding one (1) square foot in size may be displayed by physicians or members of other learned professions upon the express written consent of the Declarant, its successors or assigns. Personal signs for the purpose of identifying the owner or occupant by name and street address may be permitted but such signs are to be approved by the Declarant, its successors or assigns. This provision does not

apply to signs used to advertise a property during the initial construction and subsequent sales period.

Section 4. Erosion Control and Storage of Building Materials. At no time shall any lot or parcel be stripped of its topsoil, trees, or be allowed to go to waste away by being neglected, excavated, or having refuse or trash thrown, or dropped, or dumped upon it. No lumber, brick, stone, cinder block, or other materials used for building purposes, shall be stored upon any lot more than a reasonable time for the construction in which they are to be used to be completed.

Section 5. Antennas, Aerials, Towers. No aerials, poles, towers, or similar structures shall be erected on a dwelling lot except by express written consent of the declarant, its successors or assigns. This shall include, but not be limited to radio apparatus. Television antennas may be erected, but shall be limited to no more than five (5) feet in height above the roof top of the single-family dwelling and must be attached to said roof top.

Section 6. Prohibition of Noxious Activities and Limitations on Keeping Animals. No noxious or offensive activity shall be carried on upon any residential lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to the neighborhood. There shall not be kept or maintained devices, things, or animals, specifically including, by not limited to, fowl, pigeons, cows, swine, goats, other livestock, or poultry. However, this restriction shall not prevent the keeping of not more than two of each type of the following: dogs, cats, or birds as household pets provided the same are not bred for commercial purposes, nor shall there be allowed any other thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, odiferous, noisy, unpleasant, or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof. Dogs or other pets shall not be permitted to range the neighborhood.

Section 7. Easements . All lots or parcels of ground shall be subject to all easements and agreements of record, and Declarant, for itself, its successors or assigns further reserves an additional easement ten (10) feet wide along the boundary lines of all such lots or parcels for storm drainage, utility installation and maintenance.

Section 8. Hunting and Trapping. Hunting and trapping is expressly forbidden including along the shoreline and on the waterways. Non-commercial fishing and crabbing are excluded from this section.

Section 9. Temporary Structures. No temporary structures such as sheds, trailers and tents shall be erected without the express written approval of the Declarant, its successors or assigns and can be used, if permitted, only during periods of construction and in no event can be used as a residence, either temporary or permanent.

Section 10. Completion of Construction . The exterior of all dwellings and other structures must be completed within one (1) year after the construction of same has commenced, except where such time for completion would result in great hardship to the Owner or builder due to strikes, fires, national emergency, or natural calamity.

Section 11. Fuel Tanks and Storage Receptacles . No fuel tanks or any similar storage receptacles may be exposed to view or installed except within the main dwelling house, within an accessory building, within a solidly screened or enclosed area, or buried underground.

Section 12. Removal of Trees . No large trees measuring six (6) inches or more in diameter at ground level may be removed without the written approval of the Declarant, its successor or assigns unless located within twenty (20) feet of the main dwelling or accessory building. This provision does not apply to tree removal during the construction process.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement . The Association, or any Owner, shall have the right to enforce, by any proceeding of 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 any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment . The covenants and restrictions of this Declaration shall run with and bind the land, for a term 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 not less than a majority of the Lot Owners. Any such Amendment must be recorded.

Section 4. Annexation (a) With Consent . Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

(b) Without Consent . Additional land may be annexed by the Declarant without the consent of the members.

Section 5. Prosecution of Violations . If the parties hereto, or any of them, their successors or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for the Declarant, its successors or assigns, or any other person or persons owning residential lots with like covenants to prosecute any proceeding at law or equity against the person or persons violating or

attempting to violate any such covenants to either prevent him, or them, from so doing and/or to recover damages for such violation.

Section 6. Failure to Enforce a Covenants Not a Waiver . The failure to enforce any right, reservation, restriction, or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

Section 7. Declarant's Right to Change or Modify Covenants . The Declarant, for itself, its successors or assigns hereby reserves the right in its absolute discretion to annul, waive, change, or modify any of the restrictions, conditions or covenants contained herein with respect to restrictions, conditions or covenants subsequently recorded as applicable to other lots in Atlantis Subdivision.

Section 8. Invalidation . Invalidations of any of these covenants, conditions by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

Section 9. Assignments by Declarant or Community Association . Any or all of the rights and powers, titles, easements, and estates reserved or given to the Declarant or the Atlantis Community Association, Inc. in this Declaration may be assigned to any one or more corporations or assigns that will agree to assume said rights, powers, duties and obligations and carry out and perform same. Any such assignment or transfer shall be made by appropriate recorded instrument in writing the assignee or transferee shall join for the purpose of evidencing its acceptance of such rights and powers; and such assignee or transferee shall thereupon have the same rights as herein given to and assumed by the Declarant and the Association. The Declarant, but not the Association, shall thereupon be released therefrom.

ATLANTIS COMMUNITY ASSOCIATION, INC.

AMENDED DECLARATION OF COVENANTS, RESTRICTIONS AND

AFFIRMATIVE OBLIGATIONS

WHEREAS, by Deed dated June 1, 1978 an recorded among the Land Records of Anne Arundel County, Maryland, in Liber W.G.L. 3088, folio 612, DICK RICE, INC., hereinafter referred to as "Declarant", is the owner of certain real property therein fully described;

WHEREAS, the Declarant by Declaration of Covenants, Restrictions and Affirmative Obligations recorded among the Land Records of Anne Arundel County in Liber W.G.L. 3131, folio 91 did impose certain covenants and restrictions; and

WHEREAS, it is the intention of Declarant to amend the aforesaid restrictions with respect to the lots hereinafter described, said lots being or intended to be all that tract of land described in the aforesaid Deed. The lots which are subject matter of this document are described as follows: Lots 1 through 258 inclusive, all as shown on the Plats entitled, "Atlantis", Plats One through Three, inclusive, which plats are recorded among the Land Records of Anne Arundel County in Plat Book 67, folios 48 through 50 inclusive.

ARTICLE VIII-Section 4. (b)

The sentence which reads "Additional land may be annexed by the declarant without the consent of members" is deleted and inserted in lieu thereof if the following section 4. (b) "Additional land may be annexed by the Declarant without the consent of the members for no longer than seven years from October 5th, 1978, the date of recordation of the original Declaration of Covenants, Restrictions and Affirmative Obligations."

ARTICLE VIII-Section 7 .

Deleted in its entirety.