

ARTICLES OF INCORPORATION

OF

CRAWFORD'S RIDGE HOMEOWNERS ASSOCIATION, INC.

FIRST: I, the undersigned, Earl G. Schaffer, whose post office address is 4 Evergreen Road, Severna Park, MD. 21146, being at least twenty-one (21) years of age, do hereby form a corporation under and by virtue of the general laws of the State of Maryland.

SECOND: The name of the corporation (which is hereinafter called the "Association") is: "Crawford's Ridge Homeowners Association, Inc."

THIRD: This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence lots and the Association property within all that certain property described as: All that certain property situate and lying in Anne Arundel County, State of Maryland, and described as follows:

All that property shown on the Plats entitled "Crawford's Ridge", A Residential Single Family Subdivision, including Plat One of Two and Plat Two of Two, recorded among the Land Records of Anne Arundel County, Maryland at Plat Book 266, pages 49 through 50, (Plat Nos. 13875 through 13876), but excluding lots 28 and 29 as shown on the said Plats, are subjected to the Declaration of Covenants, Conditions, Restrictions and Easements of Crawford's Ridge Subdivision, a Maryland Homeowners Association made by Severn Associates, Inc., dated November 24, 2004, recorded among the Land Records of Anne Arundel County, State of Maryland at Book 15731, page 0282, or intended to be so recorded, (hereinafter called the "Declaration"), to promote the health, safety and welfare of the residents within the above

described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth in length;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges of assessments pursuant to the terms of the Declaration; to pay all expenses or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) Borrow money, and with the assent of sixty seven percent (67%) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Dedicate, sell or transfer all or any part of the Association property to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless first approved by Anne Arundel County, aforesaid and the Class B members;

(f) Participate in mergers and consolidations with other nonprofit corporations

organized for the same purposes or annex additional residential property and common property, provided that any such merger, consolidation or annexation shall have the assent of the Class B members;

(g) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Stock Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

(h) Take all actions necessary to collect assessments and other charges including the imposition of liens and enforcement of such liens, engage in litigation, or such other actions deemed necessary to collect all sums owed.

(i) Impose fines for failure to comply with the Declaration, By-Laws and rules of the Association.

(j) Collect assessments and other charges from owners of lots within the Association for the construction, installation, maintenance, repair and replacement of an entrance monument and maintenance and repair of the easement area for the entrance monument and insurance for the same.

(j) To take appropriate actions to implement and maintain the community for older persons 55 years or older and as defined by the Federal Fair Housing Act and the Maryland Fair Housing Act.

FOURTH: The post office address of the principal office of the Association in this State is 1802 Brightseat Road, Landover, MD 20785. The name and post office address of the Resident Agent of the Association in this State is Stephen W. Pelz, 1802 Brightseat Road, Landover, MD 20785. Said Resident Agent is an individual actually residing in the State of Maryland.

FIFTH: The Association shall not be authorized to issue any capital stock. Every person or entity who is a record owner of the fee simple title in any lot which is subject to covenants of record to assessment by the Association, or, if such lot is subject to a reversion reserved in a lease redeemable pursuant to Title 8 of the Real Property Article, Annotated Code of Maryland, the owner of the leasehold interest, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

SIXTH: The Association shall have two (2) classes of voting membership:

(a) Class A. Class A member(s) shall be all owners with the exception of the Declarant (as defined in the Declaration) and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot.

(b) Class B. Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each lot owned. The Class B Membership shall cease, subject to revival upon additional land being annexed pursuant to the Declaration, and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(i) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(ii) December 31, 2011.

SEVENTH: The affairs of this Association shall be managed by a Board of 5 directors, who need not be members of the Association. The number of directors may be changed pursuant to the By-Laws of the Association, but shall never be less than three (3). The names of the persons who are to act in the capacity of directors until the first annual meeting or until their successors are duly elected and qualified are: Alex Intermaggio, Sevan Topjian and Jeffrey A. Minich.

The term of the Directors named in these Articles of Incorporation shall expire when their successors have been elected at the first annual meeting of members and are duly qualified. The election of Directors shall be by ballot, in person or by proxy, and shall be elected in accordance with the terms of the Bylaws of the Association. There shall be no cumulative voting. At the first annual meeting of the members the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The terms of office of the Director receiving the second greatest number of votes shall be fixed at two (2) years and the terms of the Directors receiving the third, fourth and fifth greatest number of votes shall be fixed at one (1) year each. At the expiration of the initial term of office of each respective Director, the successor shall be elected to serve a term of three (3) years. Directors shall hold office until their successors have been elected and hold their first annual meeting.

EIGHTH: None of the members of the Board of Directors nor any officer shall receive any compensation for serving in that capacity, but any person may be paid such compensation for services rendered the Association as the Board of Directors shall from time to time deem reasonable, and any person may be reimbursed for any expenses, disbursements, or liability made or incurred by such person for or on account of the Association or liability made or incurred by such person for or on account of the Association, or in connection with the management and

conduct of the affairs of the Association. The provisions of this paragraph shall not be deemed to exclude any right of any director, officer or employee to indemnification as may be provided in the By-Laws of the Association and authorized by the Corporations and Associations Article of the Annotated Code of Maryland), as from time to time amended.

NINTH: The Association may be dissolved with the assent given in writing and signed by not less than sixty seven percent (67%) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

TENTH: The Association shall exist perpetually.

ELEVENTH: Amendment of these Articles require the assent of sixty-seven percent (67%) of the entire membership, except that so long as there shall be Class B membership, a majority of the Class B members alone, without the need for the assent of the Class A members, may amend these Articles to provide that as long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration; Annexation of additional properties, mergers and consolidations, mortgaging of Association property, dedication of Association property, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation and have acknowledged the same to be my act this 7th day of February, 2005.

WITNESS:

EC

Earl G. Schaffer

Earl G. Schaffer, Esq.

The undersigned hereby consents to act as resident agent in Maryland for the entity named in the above Articles of Incorporation.

Stephen W. Pelz

Stephen W. Pelz

R:\1253503.AOI
February 2, 2005

**BY-LAWS OF
CRAWFORD'S RIDGE HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
Name and Location**

The name of the corporation is Crawford's Ridge Homeowners Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1802 Brightseat Road, Landover, MD 20785, but the meetings of members and directors may be held at such place within the State of Maryland, as may be designated by the Board of Directors.

**ARTICLE II
Definitions**

Section 1. "Association" shall mean and refer to Crawford's Ridge Homeowners Association, Inc., a Maryland corporation, its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property as designated in the Declaration of Covenants, Conditions, Restrictions and Easements, ("Declaration"), and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean Open Space and Recreation Areas shown on the Plats for Crawford's Ridge Subdivision, owned in common by all Lot Owners for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to Lots 1 through 27 (and excluding lots 28 and 29) as shown on the Plats for Crawford's Ridge Subdivision for the Property.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, or, if the Lot is subject to a reversion reserved in a lease redeemable pursuant to Title 8 of the Real Property Article, Annotated Code of Maryland, the owner of the leasehold interest, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 6. "Declarant" shall mean and refer to K. Hovnanian Homes of Maryland, L.L.C. a Maryland limited liability company, (the assignee of Severn Associates, Inc.), its successors and assigns, if such successors and assigns shall acquire more than one undeveloped Lot from Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, Restrictions and Easements of Crawford's Ridge Subdivision applicable to the Property dated the 24th day of November, 2004, and recorded, (or intended to be recorded), among

the Land Records of Anne Arundel County, State of Maryland, in Book 15731, page0281, etc.

Section 8. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration and in the Articles of Incorporation of the Association.

ARTICLE III Meeting of Members

Section 1. **Annual Meetings.** The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock p.m., or on such other annual date and time fixed by the Board of Directors. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. **Special Meetings.** Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. **Notice of Meetings.** Written notice of each meeting of the members shall be given by or at the direction of, the Secretary of the Association or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. **Quorum.** The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such a quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. **Proxies.** At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV
Board of Directors, Selection, Term of Office

Section 1. Number. The affairs of this Association shall be managed by a Board of directors, or such other number, but not less than three (3) nor more than five (5), as may be designated from time to time by resolution of a majority of the entire Board of Directors. Directors need not be members of the Association.

Section 2. Term of Office. The term of the Directors named in the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting of members and are duly qualified. The election of Directors shall be by ballot, in person or by proxy, and shall be elected in accordance with the terms of these Bylaws. There shall be no cumulative voting. At the first annual meeting of the members the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The terms of office of the Director receiving the second greatest number of votes shall be fixed at two (2) years and the term of the Director receiving the third greatest number of votes shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, the successor shall be elected to serve a term of three (3) years. Directors shall hold office until their successors have been elected and hold their first annual meeting. At the first annual meeting the members shall elect directors for terms for one (1) year, and at each annual meeting thereafter, the members shall elect directors for terms of one (1) year.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V
Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be

appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or nonmembers.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI Meeting of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by Resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of any Association property, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of any recreational facility of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
and

(e) Employ a manager, an independent contractor, and such other employees as they deem necessary, and to prescribe their duties.

(f) Enforce the covenants and conditions of the Declaration, these Bylaws and duly adopted rules, including, but not limited to, the age restrictions for ownership of Lots within Crawford's Ridge.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to

(1) Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose at its discretion the lien against any property for which assessments are not paid within thirty (30) days after the due date and/or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association, and adequate officers and directors indemnity insurance, said liability insurance to be, as a minimum, in amounts that will provide immunity from liability to directors, officers and the Association pursuant to Maryland law, as may be amended from time to time;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Cause that portion of the Common Area it owns to be maintained, repaired and replaced as necessary;

(h) Enter into an agreement with first mortgagees of Lots on the Property to provide that such first mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any Common Area it owns, and such mortgagees may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such property, and such first mortgagees, upon making such payments, shall be owed immediate reimbursement therefor from the Association;

(i) Establish, levy, assess and collect all assessments referred to or authorized in the Declaration.

ARTICLE VIII Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year or until his successor is elected and has qualified, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such

resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President: The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit or review of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

Indemnification of Officers and Directors

The Association shall provide any indemnification required or permitted by the laws of Maryland and shall indemnify directors, officers, agents and employees as follows:

(a) The Association shall indemnify any director or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceedings, whether civil, criminal, administrative, or investigative (other than an action

by or in the right of the Association) by reason of the fact that he is or was such director or officer or an employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith, and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Association shall indemnify any director or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was such a director or officer or an employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought, or any other court having jurisdiction in the premises, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) To the extent that a director or officer of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraph (a) or (b) of this Article IX, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith, without the necessity for the determination as to the standard of conduct as provided in paragraph (d) of this Article IX.

(d) Any indemnification under paragraph (a) or (b) of this Article IX (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraph (a) or (b) of this Article IX. Such determination shall be made (i) by the Board of Directors of the Association by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding,

or (ii) if such a quorum is not obtainable, or even if obtainable, such a quorum of disinterested directors so directs, by independent legal counsel (who may be regular counsel for the Association) in a written opinion; and any determination so made shall be conclusive.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized in the particular case, upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article IX.

(f) Agents and employees of the Association who are not directors or officers of the Association may be indemnified under the same standards and procedures set forth above, in the discretion of the Board of Directors of the Association.

(g) Any indemnification pursuant to this Article IX shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE X Committees

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which may be secured by continuing liens upon the Lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and be subject

to a late fee of Five Dollars (\$5.00) or five percent (5%) of the assessment, whichever is greater, and the Association may bring an action at law against the owner personally obligated to pay the same and/or foreclose the lien against the Lot, and interest, costs, late charges and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

The Association may establish and enforce the lien for any assessment, annual or special, established pursuant to the Declaration aforesaid, and pursuant to the Maryland Contract Lien Act. The lien is imposed upon the Lot against which such assessment is made. The lien may be established and enforced for damages, costs of collection and late charges set forth above or by the Declaration, and reasonable attorney's fees provided for in the Declaration or awarded by a Court for breach of any of the covenants of the Declaration.

ARTICLE XIII Rights of Mortgagees

Section 1. Unpaid Assessments. The Association may, upon request and for a reasonable charge, report to a mortgagee of any Lot any unpaid assessment due from the Owner of the Lot or any default by the mortgagor of the Lot in the performance of the mortgagor's obligations as a Lot Owner hereunder which is not cured within thirty (30) days. In the event a first mortgagee requests a notice of default, and pays the charge therefor, if no notice of default is given within thirty (30) days after receipt of the request, the Association shall thereafter be estopped to claim any default that occurred prior to the receipt of the request as respects the said first mortgagee, or any purchaser therefrom upon foreclosure or other exercise of lien rights under the mortgage.

Section 2. Approval Required. In addition to the other provisions of the Declaration, and these By-Laws, and the applicable laws of the State of Maryland, unless at least seventy-five percent (75%) of the first mortgagees (based upon one (1) vote for each mortgage) of individual Lots within the Property, have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon which are owned, directly or indirectly, by the Association, for the benefit of the Lots, i.e., any Common Area it owns.

The granting of easements for public utilities or for other public purposes consistent with the intended use of any Common Area it owns shall not be deemed a transfer within the meaning of this clause.

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot Owner.

(c) By act or omission change, waive or abandon any scheme or regulations or enforcement thereof pertaining to the architectural design or the exterior appearance of any Lot, the exterior maintenance of Lots, the maintenance of party walls or common fences or driveways, or the upkeep of lawns and plantings in the Property.

(d) Fail to maintain fire and extended coverage on insurable Association Common Area property it owns, on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost).

(e) Use hazard insurance proceeds for losses to any Common Area it owns for other than the repair, replacement or reconstruction of such improvements.

ARTICLE XIV Corporate Seal

The Association may have a seal in circular form having within its circumference the words: "Crawford's Ridge Homeowners Association, Inc., Maryland 200____", or in lieu thereof the word "[SEAL]" may be placed adjacent to the signature of an authorized officer of the Association.

ARTICLE XV Amendments

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, provided, however, if the Charter of the Association has been amended as therein provided to require the approval of the Federal Housing Administration or the Veterans Administration for an amendment of the Charter, then the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVI Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be as established by the Board of Directors.

Section 2. Examination of Books. Owners and first mortgagees shall have the right to examine

the books and records of the Association.

IN WITNESS WHEREOF, we, being all of the directors of Crawford's Ridge Homeowners Association, Inc., have hereunto set our hands this 11 day of February, 2005.

WITNESS:

<u>Donna Brooks</u>	<u>Jeff Minich</u> (SEAL)
<u>Donna Brooks</u>	<u>Sevan Topjian</u> (SEAL)
<u>Donna Brooks</u>	<u>Alex Intermaggio</u> (SEAL)

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Crawford's Ridge Homeowners Association, Inc., a Maryland corporation; and

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 11 day of February, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association this 11 day of February, 2005.

Crawford's Ridge Homeowners Association, Inc.

By: Alex Intermaggio (SEAL)
Alex Intermaggio

Crawfords Ridge HOA		2005 Budget
3110	Assessment Income	\$ 12,733
Per Unit Assessment		
24 Units paid Quarterly		\$ 132.64
Total Income		
Admin Expenses-		
4502	Management Fee	\$ -
	00 Management Fee	\$ 4,860
4504	Audit/Accounting	\$ 925
4512	Insurance Expense	
	Liability	\$ 160
	D&O	\$ 200
	Fidelity Bond	\$ 80
4520	Legal/Attorney	\$ 500
4560	Office Exp-	
	00 Misc Admin/Expense	\$ 498
Total Admin Expenses		
OPERATING EXPENSES-		
4702	Grounds-	
	02 Grounds Maintenance	\$ 4,500
4770	Site Maint-	
	02 Building Maint. Rep	\$ 500
Total Operating Expenses		
RESERVE TRANSFER EXP		
4920	Rsv Trsf-	
	00 Budget Rsv Trsf	\$ 500
Total Reserve Transfer Exp		
Total Expenses		\$ 12,733

This Property is Managed by _____

American Community Management

Circuit Court for
BARRINGTON COUNTY
Clerk of the Court,
ROBERT P. MICKNORTH
LONG RECORDS DEPARTMENT
P.O. BOX 71
BARRINGTON, NH 01041-0071
(603) 222-1425

Transaction Description	AMOUNT
ADVERTISEMENTS	25.00
LINK FEE STATE 425.00	25.00
RECORDING FEE 20	40.00
TOTAL:	90.00
TOTAL PAID:	90.00
PAYMENTS	
CHECK	90.00
TOTAL TENDERED:	90.00

116500-370

Customer: TET Reg # 0814
Receipt # 3131
Dated Apr 17, 2002 Time 02:47 PM

EX 16200PG0370

DECLARATION FOR WATER AND SEWER FACILITIES CHARGES

THIS DECLARATION FOR WATER AND SEWER FACILITIES CHARGES made this 11th day of April, 2005, by K. Hovnanian Homes of Maryland, L.L.C., a Maryland limited liability company, (hereinafter called "Declarant"), for the benefit of Ridgemore Utilities, L.L.C., a Maryland limited liability company, Grantee, (hereinafter called "Utility Company").

WITNESSETH:
RECITALS

WHEREAS, the Declarant is the owner of certain land upon which is or will be constructed a Single Family Subdivision entitled "Crawford's Ridge" to consist of 29 single family lots of which lots numbers 28 and 29 are not subjected to this Declaration leaving lots 1 through 27 subjected to this Declaration and which lots 1 through 27 are called "Lots", being constructed on the Subdivision Plat entitled "Crawford's Ridge", A Residential Single Family Subdivision recorded among the Land Records of Anne Arundel County at Plat Book 266, pages 49 through 50, (Plat Nos. 13875 - 13876), or intended to be so recorded and all future amendments thereto, (the "Property"); and

WHEREAS, the Declarant wishes to develop the Property for single family homes on single family Lots as may be determined from time to time, on the Property; and

WHEREAS, the Declarant has determined that public sewer and water service will benefit all of the Owners of the Lots on the Property, that the Lot Owners subsequent to Declarant will benefit by paying for the installation of the Water and Sewer Facilities over an extended period of time and the Declarant will be benefitted by being able to sell the Lots for competitive prices; and

WHEREAS, as part of the development of the Property the Declarant will provide water and sewer pipes in the streets of the Property and connections from these water and sewer pipes in the streets to the proximity of residential structures to be constructed on the Property by: (1) contributions to the cost of construction of a public water and sewer system; (2) dedication of easements and rights-of-ways necessary to construct the water and sewer systems, and (3) actual construction of portions of the water and sewer system (collectively referred to as "Water and Sewer Facilities"); and

WHEREAS, the Declarant has agreed with Anne Arundel County, (hereinafter called the "Governmental Agency"), that Declarant or the Utility Company will undertake to pay for the entire cost of the construction of the Water and Sewer Facilities (which payment and work may be performed by the Declarant or the Utility Company or its or their designee) in accordance with the Governmental Agency's specifications, at no cost to the Governmental Agency and, upon completion, the connection of the Water and Sewer Facilities to the water and sewer systems of the Governmental Agency, and therefore the Governmental Agency has agreed that it will not impose any connection charges, capital facilities charges and front foot benefit assessments against the Lots,

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OFFICE FOR RECORDS
ANNE ARUNDEL COUNTY

because it will not have incurred any costs for the Sewer and Water Facilities upon which to base such charges; and

WHEREAS, the Declarant and Utility Company intend to recover the costs of providing the Water and Sewer Facilities to the Property by establishing charges against the individual Lots on the Property ("Water and Sewer Facilities Charges"), to be repaid over thirty (30) years; and

WHEREAS, the maintenance after construction of the said Water and Sewer Facilities and pipes and connections, insofar as they are located within the streets and are not located within an individual Lot, is to be the responsibility of the Governmental Agency in accordance with the terms of the Public Works Agreement such other utility agreements between the Governmental Agency and Declarant, its successors or assigns; and

WHEREAS, the sewage disposal and water service associated with each Lot contained within the Property, is to be furnished, and billed for, by Anne Arundel County, to said dwelling Lot owners from time to time, and are to be paid for as billed; and

WHEREAS, in order to make the covenant and agreement to pay the Utility Assessments a lien and covenant and agreement running with the land and binding upon the land and the parties hereto and each and all of their respective heirs, personal representatives, successors and assigns, and all future Lot owners, the Declarant has executed and delivered and recorded this Declaration in order to charge and encumber the Lots with the continuing servitude and charge and obligation and lien and covenants and agreements to pay to the Utility Company, its successors and assigns, the Water and Sewer Facilities Charges herein set forth.

NOW, THEREFORE, in consideration of the obligations of the Declarant, its successors and assigns, the Declarant declares that the Property and each Lot constructed on it is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth. This Declaration shall be deemed to run with and bind the land and shall inure to the benefit of and be enforceable by the Declarant and/or the Utility Company, their successors and assigns, and any person or entity acquiring or owning an interest in said Property and improvements.

1. Incorporation of Recitals. The recitals set forth above are hereby incorporated in and made a material part of this Declaration.

2. Establishment of Lien and Personal Obligation. Each Owner of a Lot, other than Declarant or any Home Builder, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed: (a) covenants and agrees to pay to the Utility Company, its successors or assigns, all Water and Sewer Facilities Charges, interest, costs, late fees and attorney's fees which are due and unpaid as of the date such Owner accepts title to such Lot and as set forth herein; (b) covenants and agrees to pay all future Water and Sewer Facilities Charges established for as long as such Owner shall be a record Owner of a fee simple interest in such Lot as set forth herein; (c)

grants to the Utility Company, its successors and assigns, a lien to secure payment of the aforementioned Water and Sewer Facilities Charges, together with interest, costs, late fees and attorney's fees, which lien shall be a continuing lien upon the Lot against which each such Water and Sewer Facilities Charge is made; (d) provided the requirements of the Maryland Contract Lien Act, if applicable, have been fulfilled, grants to the Utility Company, its successors and assigns, a power of sale, and assents to the entry of a decree and order for the sale of said Lot upon a default by the Owner under this Declaration as set forth herein.

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

"Assessment" or "Facilities Assessment" shall mean and refer to the annual installments of principal and interest in payment of the total Water and Sewer Facilities Charge.

"Charge" or "Water and Sewer Facilities Charge" means the total principal sum due for each Lot.

"Declarant" shall mean and refer to K. Hovnanian Homes of Maryland, L.L.C., its successors and assigns, but only to the extent that any of the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant are specifically assigned by an instrument in writing and recorded among the Land Records of Anne Arundel County, Maryland,

"First Residential Purchaser" shall mean the first purchaser, other than a Home Builder, of a Lot within Crawford's Ridge Subdivision.

"Home Builder" shall mean any person or entity that purchases one or more Lots from the Declarant with the intention to construct a home thereon for sale.

"Lot" shall mean one of the 27 single family lots shown on the Plats of Crawford's Ridge Subdivision. Lots numbers 28 and 29 as shown on the Plats of Crawford's Ridge Subdivision are exempted from this Declaration and shall not be responsible for the payment of any assessments hereunder.

"Notice" shall mean or refer to (1) written notice delivered personally or mailed to the last known address of the intended recipient, or (2) notice published at least once each week for two consecutive weeks in a newspaper having a general circulation in Anne Arundel County.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any "Lot" (as that term is defined below) situated on the Property, which is subject to this Declaration from time to time, including contract sellers, other than Declarant, but excluding those having such interests solely as security for the performance of an obligation.

"Water and Sewer Facilities" shall mean the water and sewer pipes and the water and sewer connections from such pipes to each Lot.

4. Obligations of Declarant.

(a) The Declarant or the Utility Company shall construct, or cause to be constructed, Water and Sewer Facilities to serve the Property and any future structures erected thereon, subject to any applicable laws, rules and regulations of any governmental authority.

(b) The Declarant or the Utility Company shall ensure that all payments to be made by Declarant or the Utility Company in conjunction with providing Water and Sewer Facilities to the Property are made in a timely manner.

5. Annual Water and Sewer Facilities as Assessments.

(a) The Declarant hereby establishes a Water and Sewer Facilities Charge (the "Charges") against each of the Lots within the Property. The Assessments due with respect to such Charges described herein shall commence with respect to each Lot on the date of conveyance of said Lot by K. Hovnanian Homes of Maryland, L.L.C., or its successors and assigns to any other Owner, other than K. Hovnanian Homes of Maryland, L.L.C. or another Home Builder (the "Commencement Date"). The Assessments due with respect to the Charge for each of the Lots shall terminate (except as to unpaid Assessments, interest, costs, late fees and attorney's fees) with respect to each Lot on the Date that is thirty (30) years after the Commencement Date for each Lot, unless sooner paid in full as hereinafter provided. The Charges shall be paid annually in advance by each Lot Owner (other than K. Hovnanian Homes of Maryland, L.L.C. to the Utility Company, its successors or assigns, in thirty (30) equal installments of a Water and Sewer Facility Assessment of Six Hundred Fifty Dollars (\$650.00) per year per Lot, which shall be due and payable for the Lots on March 15 of each year subsequent to the Commencement Date; provided, however, that the first year's payment shall be pro-rated according to the number of days to elapse from the Commencement Date to March 15 next occurring and shall be paid at Settlement on such Lot and the 30th payment shall be the applicable payment less the pro-rated amount paid for the first year.

(b) Such Charges are for the purpose of reimbursing the Declarant, (or the Utility Company), for its cost of providing Water and Sewer Facilities to the Property, including, but not limited to engineering, legal fees, permit fees, actual construction, supervision, reasonable overhead, interest on monies advanced, and such other expenses as can be reasonably attributed to the provision of Water and Sewer Facilities.

(c) Any Assessment levied herein which is not paid on the date when due shall be delinquent and shall bear interest, beginning on the eleventh (11th) day it is past due, at the rate that is the lesser of (i) twelve percent (12%) per annum or (ii) the maximum rate permitted by law (or such lesser sum as the Department of Veterans Affairs (the "VA") or the Federal Housing Administration (the "FHA") may specify if any Lot subject to this Declaration is then encumbered

by a deed of trust or mortgage which is guaranteed by the VA or insured by the FHA), and, together with interest at the rate aforesaid, together with the cost of collection thereof, become a continuing lien upon the Lot in the hands of the then Owners, their heirs, devisees, personal representatives and assigns, which lien may be foreclosed in the manner now or thereafter provided for in the Maryland Contract Lien Act or as otherwise be provided by law. The personal obligation of the Owner of the Lot to pay such Facilities Assessment shall, in addition, remain its personal obligation and a suit to recover a money judgment for non-payment of any such Facilities Assessment pursuant to this Declaration may be maintained without foreclosing or waiving the lien herein created to secure the same.

(d) The Utility Company may also, if Facilities Assessments due hereunder are not timely and completely paid (including interest and costs of collection) for two (2) consecutive years, accelerate the balance of the entire Water and Sewer Facilities Charges remaining unpaid against such Lot which sum, together with interest thereon from the date of acceleration at the rate that is the lesser of (i) twelve percent (12%) per annum or (ii) the maximum rate permitted by Law (or such lesser sum as the Department of Veterans Affairs (the "VA) or the Federal Housing Administration (the "FHA") may specify if any Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is guaranteed by the VA or insured by the FHA), and costs and attorney's fees, shall continue to constitute a lien against such Lot. The Utility Company may thereupon foreclose such lien or maintain an action at law as herein set forth.

(e) The Utility Company may bring an action at law against the Owner personally obligated to pay the Facilities Assessment or Facilities Charge, or foreclose on the lien against the Lot or Lots then belonging to said Owner in the manner now or hereafter provided for the foreclosure of mortgages, deeds of trust or other liens on real property in the State of Maryland containing a power of sale or 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 twenty percent (20%) of the sum claimed shall be added to the amount of each Facilities Assessment or Facilities Charge.

(f) In the event the Utility Company, or its assigns, initiates a foreclosure, or a suit for collection of the Facilities Assessment or the Facilities Charge, the Owners of the affective Lot, or the mortgagee thereof, shall have the right to have enforcement of this Declaration discontinued at any time prior to the earlier of: (i) five (5) days before sale of the Lot pursuant to the power of sale contained herein; or (ii) entry of a judgment enforcing the provisions hereof, upon the following conditions: (a) the Owner or mortgagee shall have paid the Utility Company or assigns, all sums that would then be due under this Declaration or assigns, all sums that would then be due under this Declaration if no acceleration of the entire Water and Sewer Facilities Charge had occurred, and (b) shall have paid all expenses, including interest, late charges and reasonable attorney's fees, which the Declarant, or assigns, has incurred in enforcing the provisions hereof. Upon reinstatement by such Owner or mortgagee, this Declaration and such obligations secured hereby, shall continue unchanged and remain fully effective as if no acceleration had occurred.

(g) The Utility Company shall notify the holder of the first mortgage on any Lot for which any Assessment levied pursuant to this Declaration becomes delinquent for a period in excess of sixty (60) days and in the other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days, but any failure to give such Notice shall not affect the validity of the lien of any Assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities established herein.

(h) An Owner shall advise the Utility Company of the name of the holder of the Owner's first mortgage upon request of the Utility Company.

6. Prepayment of Charges. Upon written request of an Owner, the Utility Company shall provide Owner with a present day value of any assessment levied pursuant to this Declaration and Owner may prepay the outstanding assessment Owner's obligation hereunder.

7. Assessment Certificates. The Utility Company shall, upon request, furnish to any Owner liable for any Assessment levied pursuant to this Declaration (or any other party legitimately interested in the same) a certificate in writing signed by an officer of the Utility Company, setting forth the status of said Assessment, i.e., whether the same is paid or unpaid. Such certificate 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 Utility Company for each certificate delivered.

8. Priority of Lien. The lien established by this Declaration as to the Charge and each Assessment coming due shall have preference over any other assessment, liens, judgments or charge of whatever nature, except the following:

- (a) general and special taxes and assessments on the Lot; and
- (b) the liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Lot prior to the recordation hereof.

No amendment to this Section shall affect the rights of the holder of any first mortgage on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

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

9. Annual Statement. The Owner of a Lot shall receive an annual statement by June 1 of each year after the first payment of an annual Assessment is made. The statement will indicate the amount due, the remaining term, the total balance of the amount due, and the address to which the payment shall be sent. Unless stated otherwise, the payment shall be made payable to Ridgmore

Utilities, L.L.C., to P. O. Box 6299, Largo, Maryland 20792, or to its assignee, at such address as each Unit Owner may be so notified of from time to time. Failure to receive a Water and Sewer Facilities Charges bill shall not relieve an Owner from liability to pay same.

10. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, or its successors and assigns, for a term of thirty (30) years from the date of recordation of this Declaration, after which the said covenants shall be automatically extended for a period of ten (10) years, provided, however, that in no event shall such fees be collectible after the date which is forty (40) years after the recordation of this Declaration, and provided, further, that the maximum amount of water and sewer Assessments shall be the annual payments set forth above times thirty (30) years.

11. Construction and Enforcement. The provisions hereof shall be liberally construed to effectuate the purpose of creating a lien to recover the cost of providing Water and Sewer Facilities to the Property. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity, either to foreclose the lien imposed by this Declaration or to recover damages, or both and the failure or forbearance by the Declarant to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

The provisions hereof may be enforceable by the Utility Company without limitation, including the right to reimbursement for any and all expenses reasonably related to actions necessary to enforce these provisions including, but not limited to court costs and attorney's fees.

12. Covenants Running With The Land. All provisions of this Declaration, including the benefits and burdens, shall touch, concern and run with the Lots and, be binding upon the Owners and their respective heirs, personal representatives, successors, transferees and assigns; and inure to the benefit of the Utility Company, and its successors, transferees and assigns. Any sale, lease, mortgage, or other disposition or transfer of a Lot shall be subject in all respects to the lien, operation and effect of this Declaration. The sale or transfer of any Lot shall not affect any lien imposed against such Lot pursuant to this Declaration. The purchaser of a Lot shall be jointly and severally liable with the seller of the Lot for all unpaid Water and Sewer Charges, interest, costs, late fees and attorney's fees against the Lot, without prejudice to the purchaser's right to recover from the selling Lot owner amounts paid by the purchaser therefor; provided, however, that no purchaser from a Lot Owner, other than Declarant or any Builder, shall be liable for, nor shall any Lot be conveyed subject to a lien for, any accrued and unpaid Water and Sewer Charges, interest, costs, late fees, or attorney's fees greater than the amount stated in any written certificate provided by the Utility Company or its future assignees or transferees, in accordance with Paragraph 7 of this Declaration. No sale or transfer shall relieve any Lot subject to Water and Sewer Charges hereunder or the current Lot Owner thereof from liability for any Water and/or Sewer Charges, interest, costs late fees and attorney's fees thereafter coming due or from the lien thereof.

13. Successors of Declarant. Any and all rights, reservations, easements, interest, exemptions, privileges and powers of the Utility Company, its successors or assigns, hereunder, or

any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Utility Company, its successors or assigns, with or without notice to the Owners.

14. Declarant's Certification. Notwithstanding the foregoing, this Declaration may be amended by the Declarant or the Utility Company, without notice to or consent of the Owners, provided that such amendment is accomplished solely for the purpose of causing this Declaration to conform to the requirements of VA, FHA, FNMA or FHLMC, and mortgagee or Anne Arundel County, Maryland, or any other state or local governmental agency, and does not materially and adversely affect the property rights of any Owner. To accomplish the above, each contract purchaser and each Owner of a Lot subject to the Declaration hereby grants to the Declarant or the Utility Company, their respective successors and assigns, for a period of seven (7) years from the date this Declaration is recorded among the Land Records, a durable power of attorney to execute on their behalf such agreements, documents, amendments and supplements to this Declaration which may be required by the Federal National Mortgage Association, the FHA, the VA, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, Anne Arundel County, Maryland, any governmental or quasi-governmental agency or authority having regulatory jurisdiction over the Property, any public or private utility company designated by Declarant or the Utility Company, or their respective successors or assigns, any institutional lender or title insurance company designated by the Declarant or the Utility Company or their respective successors or assigns, or as may be required to comply with any applicable laws or regulations. This power of attorney is expressly declared and acknowledged to be coupled with an interest in the subject matter and the same shall run with the title to all and any portion of the Property, and be binding upon the heirs, personal representatives, successors, transferees and assigns of any of the forgoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power of attorney.

15. Severability. The terms and provisions of this Declaration are severable and in the event that any term or provision of this Declaration is invalid or unenforceable for any reason, the remaining terms and provisions hereof shall remain in full force and effect.

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

IN WITNESS WHEREOF, the said Declarant and Utility Company have caused these presents to be executed and delivered.

WITNESS/ATTEST:

Jeff M... 7

K. Hovnanian Homes of Maryland, L.L.C., Declarant

By: [Signature]
Lawrence Gorman, Vice President
of Hovnanian Developments of Florida, Inc.,
Managing Member

WITNESS/ATTEST:

Ridgmore Utilities, L.L.C., Utility Company,
Grantee

Jeff Minick

By: Lawrence Gorman SR. J.P.

State of Maryland, County of Prince George's to wit:

I HEREBY CERTIFY, that on this 11th day of April, 2005, before me, the subscriber, a Notary Public in the aforesaid jurisdiction, personally appeared Lawrence Gorman, personally known to me (or satisfactorily proven) to be the Vice President of Hovnanian Developments of Florida, Inc., Managing Member of K. Hovnanian Homes of Maryland, L.L.C., Declarant, and, having authority so to do, did acknowledge the foregoing instrument to be the act and deed of said company and did acknowledge that same was executed for the purpose therein contained.

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

Ann W. Olson
Notary Public

My Commission Expires: 10/7/07

State of Maryland, County of Prince George's to wit:

I HEREBY CERTIFY, that on this 11th day of April, 2005, before me, the subscriber, a Notary Public in the aforesaid jurisdiction, personally appeared Christopher Spendley, personally known to me (or satisfactorily proven) to be the Sr. Vice President of Ridgmore Utilities, L.L.C., the Grantee herein, and, having authority so to do, did acknowledge the foregoing instrument to be the act and deed of said company and did acknowledge that same was executed for the purpose therein contained.

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

Ann W. Olson
Notary Public

My Commission Expires: 10/7/07

The above instrument was prepared by an attorney licensed in the practice of law in the State of Maryland.

Earl G. Schaffer
Earl G. Schaffer, Esq.

AMENDMENT TO DECLARATION FOR WATER AND SEWER FACILITIES CHARGES

THIS AMENDMENT, Made this 26 day of May, 2005 by K. Hovnanian Homes of Maryland, L.L.C., a Maryland liability company, (hereinafter called "Declarant"), for the use and benefit of Ridgemore Utility, L.L.C., a Maryland limited liability company, Grantee, (hereinafter called "Utility Company"), to the Declaration for Water and Sewer Facilities Charges dated April 11, 2005 and recorded among the Land Records of Anne Arundel County, Maryland at Book 16200, page 370, (the "Declaration").

WHEREAS, the Declarant and Utility Company prepared and recorded the Declaration to establish certain water and sewer facilities charges against lots numbers 1 through 27 as shown on the Subdivision Plat entitled "Crawford's Ridge", A Residential Family Subdivision, recorded among the Plat Records of Anne Arundel County, Maryland at Plat Book 266, pages 49 and 50 (Plat Nos. 13875 and 13876), (the "Plats"); and

WHEREAS, lot numbers 28 and 29 as shown on the Plats are not subjected to the Declaration; and

WHEREAS, the Declaration contains a typographical error whereby it states that the name of the Utility Company is "Ridgemore Utilities, L.L.C.", when the proper name of the Utility Company is "Ridgemore Utility, L.L.C."; and

WHEREAS, the purpose of this Amendment is to correct the name of the Utility Company so that it is properly called "Ridgemore Utility, L.L.C.

NOW, THEREFORE, in consideration of the obligations of the Declarant, its successors and assigns, the Declarant and Utility Company hereby declare as follows:

1. The proper name of the Utility Company is Ridgemore Utility, L.L.C. and whenever the name "Ridgemore Utilities, L.L.C." appears in the Declaration the name "Ridgemore Utility, L.L.C." is hereby substituted for the same.

2. All other terms of the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the said Declarant and Utility Company have caused these presents to be executed and delivered,

WITNESS/ATTEST:

Jeff Minich

K. Hovnanian Homes of Maryland, L.L.C.,
Declarant

By: [Signature] (Seal)
Lawrence Gorman, Vice President
of Hovnanian Developments of Florida, Inc.
Managing Member

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RECORDING FEE 20.00
TOTAL 40.00
Fees AMIS Ref: # 43489
RPD NLC Bill: # 232
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RECORDED FOR RECORD
IN ANNE ARUNDEL COUNTY

WITNESS/ATTEST:

Jeff Minich

Ridgemore Utility, L.L.C., Grantee, Utility Company

By: Christopher Spendley (Seal)
Christopher Spendley, Senior Vice President
Ridgemore Utility, L.L.C.

State of Maryland, County of Prince George's to wit:

I HEREBY CERTIFY, that on this 26th day of May, 2005, before me, the subscriber, a Notary Public in the aforesaid jurisdiction, personally appeared Lawrence Gorman, personally known to me (or satisfactorily proven) to be the Vice President of Hovnanian Developments of Florida, Inc., Managing Member of K. Hovnanian Homes of Maryland, L.L.C., Declarant, and, having authority so to do, did acknowledge the foregoing instrument to be the act and deed of said company and did acknowledge that same was executed for the purpose therein contained.

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

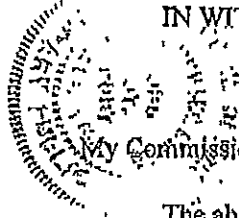


Anne W. Olson
Notary Public

State of Maryland, County of Prince George's to wit:

I HEREBY CERTIFY, that on this 26th day of May, 2005, before me, the subscriber, a Notary Public in the aforesaid jurisdiction, personally appeared Christopher Spendley, personally known to me (or satisfactorily proven) to be the Senior Vice President of Ridgemore Utility, L.L.C., the Grantee herein, and, having authority so to do, did acknowledge the foregoing instrument to be the act and deed of said company and did acknowledge that same was executed for the purpose therein contained.

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



Anne W. Olson
Notary Public

The above instrument was prepared by an attorney licensed in the practice of law in the State of Maryland.

Earl G. Schaffer
Earl G. Schaffer, Esq.

R:\APR05\12535amd.wpd
April 22, 2005

After recording return to:

BKI 19865 PGC 420

Settlement Department / WMH
Linowes and Blocher LLP
7200 Wisconsin Avenue, Suite 800
Bethesda, MD 20814-4842

D8008
AA-254

**ASSIGNMENT OF UTILITY COMPANY'S RIGHTS
(Crawford's Ridge)**

THIS ASSIGNMENT OF UTILITY COMPANY'S RIGHTS (this "Assignment"), made this 4th day of February, 2008, by and between **RIDGEMORE UTILITY, L.L.C.**, a Maryland limited liability company ("Assignor"), and **UTILITY FUNDING, LLC**, a Maryland limited liability company ("Assignee").

RECITALS:

A. Assignor is the "Utility Company" under a Declaration for Water and Sewer Facilities Charges dated April 11, 2005 and recorded among the Land Records of Anne Arundel County, Maryland on April 19, 2005 in Liber 16200, at folio 370 (the "Declaration") as amended by the Amendment to Declaration for Water and Sewer Facilities Charges dated May 26, 2005 and recorded among the Land Records of Anne Arundel County, Maryland on June 1, 2005 in Liber 16370 in Liber 155 (the "Amended Declaration") (the "Declaration" and the "Amended Declaration" are collectively referred to herein as the "Declaration"). The Declaration establishes assessments (the "Facilities Assessments") against certain lots located in Anne Arundel County, Maryland (collectively the "Lots") to compensate Assignor for the installation of water and sewer systems which serve the Lots. The Lots are further described in the Declaration.

B. Assignor desires to assign to Assignee, and Assignee desires to accept and assume from Assignor, all of the rights, reservations, interests, exemptions, privileges and powers of the Assignor under the Declaration (collectively, the "Utility Company's Rights") with respect to the Lots that are described on Exhibit "A" attached to and made a part of this Assignment (the "Assigned Lots").

IMPD SURF \$ 20.00
ASSIGNING FEE (the 20.00
TOTAL 40.00
Rest AA13 Rct # 94825
paid In hand \$ 820
file 02-2008 12:57 PM

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) paid by Assignee to Assignor and for other good and valuable consideration, the receipt and sufficiency of which Assignor acknowledges, Assignor and Assignee agree as follows:

1. Assignor assigns and transfers to Assignee and Assignee assumes and accepts from Assignor the Utility Company's Rights with respect to each Assigned Lot, including, without limitation, the right to collect and retain for its own account the Facilities Assessments applicable to each Assigned Lot as provided for under the Declaration for such Assigned Lot, the right to enforce the Declaration against the owners of the Assigned Lots, and the right to further assign the Utility Company's Rights in accordance with the Declaration.

2. Assignee shall not be responsible for and does not assume any warranties, liabilities, or obligations which accrued or may accrue to Assignor or any builder or other seller of any Assigned Lot under the Declaration or pursuant to law, including, but not limited to, any warranties, liabilities, or obligations concerning any improvements constructed or required to be constructed by Assignor within the subdivision of which the Lots are a part or concerning any notice of the Facilities Assessments required to be made pursuant to applicable law.

RECEIVED FOR RECORD
CIRCUIT COURT FOR A.A. COUNTY
2008 FEB - 8 P 1:03

3. At any time after the execution of this Assignment, Assignor, without expense to Assignee, shall promptly execute and deliver any document and agreement and do all other acts which Assignee may reasonably request to confirm or better effectuate the assignment of the Utility Company's Rights contemplated by this Assignment.

4. This Assignment shall bind and inure to the benefit of Assignor, Assignee, and their respective successors and assigns.

5. Until further notice by Assignee or its successors or assigns, the address of the Utility Company for the purposes of the Declaration is as follows: Utility Funding, LLC, 5816 Mossrock Drive, North Bethesda, Maryland 20852, Attn: Scott Price.

6. The provisions of this Assignment are not intended to create, nor shall they in any way be interpreted to create, a joint venture, partnership, or other similar relationship between the parties.

7. The Recitals set forth in this Assignment are incorporated in and made a part of this Assignment.

8. All questions with respect to the construction of this Assignment shall be determined in accordance with the laws of the State of Maryland, excluding choice of laws principles.

9. Each provision of this Assignment is intended to be severable. If any term or provision of this Assignment shall be determined to be illegal or invalid for any reason whatsoever, such provision shall be severed from this Assignment and shall not affect the validity of the remainder of this Assignment.

10. This Assignment may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have signed, sealed and delivered these presents as their own free act and deed as of the day and year first written above.

WITNESS:

ASSIGNOR:

RIDGEMORE UTILITY, L.L.C.,
a Maryland limited liability company



By: Stephen W. Pelz [SEAL]
Name: Stephen W. Pelz
Title: Vice President

ASSIGNEE:

UTILITY FUNDING, LLC,
a Maryland limited liability company



By: B. Hayes McCarty [SEAL]
B. Hayes McCarty, Manager

STATE/COMMONWEALTH OF Maryland*

COUNTY OF Prince George's

to wit:

I HEREBY CERTIFY that on this 1st day of February, 2008, before me, a Notary Public in and for the State/Commonwealth and County aforesaid, personally appeared Stephen W. Peltz, known to me (or satisfactorily proven) to be the Vice President of Ridgemore Utility, L.L.C., a Maryland limited liability company, and that he, in such capacity and being authorized to do so, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of said corporation.

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

Roxie A. Jones
Notary Public

My term of office expires on the 14th day of November, 2011.

[NOTARIAL SEAL]



STATE/~~COMMONWEALTH~~ OF *Maryland*

* to wit:

COUNTY OF *Montgomery*

I HEREBY CERTIFY that on this 4th day of February, 2008, before me, a Notary Public in and for the State/Commonwealth and County aforesaid, personally appeared B. Hayes McCarty, known to me (or satisfactorily proven) to be the Manager of Utility Funding, LLC, a Maryland limited liability company, and that he, in such capacity being authorized to do so, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of said company.

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

Barbara J. Daulty
Notary Public

My term of office expires on the 1st day of May, 2011.



ATTORNEY'S CERTIFICATION

I HEREBY CERTIFY that the foregoing instrument was prepared by or under the supervision of the undersigned, an attorney duly licensed to practice before the Court of Appeals of Maryland.

Brian D. Bichy
Brian D. Bichy

Exhibit "A"

Description of the Assigned Lots

Lots 1 through 27, inclusive, as shown on the plat of subdivision entitled "CRAWFORD'S RIDGE" recorded among the Land Records of Anne Arundel County, Maryland on December 22, 2004 at Plat Book 266, pages 49 through 50, (Plat Nos. 13875-13876).

**CLERK'S INDEX SHEET
ASSIGNMENT OF UTILITY COMPANY'S RIGHTS
(Crawford's Ridge)**

(For the purpose of proper indexing only)

Lot/Block	Plat Nos. (as recorded among the Land Records of Anne Arundel County, Maryland at Plat Book 266, pages 49 through 50)	Tax Account No. (District 04 – Subdivision 188)	Street Address
1	Plat Nos. 13875-13876	90221456	603 Crawford's Ridge Road
2	Plat Nos. 13875-13876	90221457	605 Crawford's Ridge Road
3	Plat Nos. 13875-13876	90221458	607 Crawford's Ridge Road
4	Plat Nos. 13875-13876	90221459	609 Crawford's Ridge Road
5	Plat Nos. 13875-13876	90221460	611 Crawford's Ridge Road
6	Plat Nos. 13875-13876	90221461	1303 Crawford's Court
7	Plat Nos. 13875-13876	90221462	1305 Crawford's Court
8	Plat Nos. 13875-13876	90221463	1307 Crawford's Court
9	Plat Nos. 13875-13876	90221464	1308 Crawford's Court
10	Plat Nos. 13875-13876	90221465	1306 Crawford's Court
11	Plat Nos. 13875-13876	90221466	1304 Crawford's Court
12	Plat Nos. 13875-13876	90221467	613 Crawford's Ridge Road
13	Plat Nos. 13875-13876	90221468	615 Crawford's Ridge Road
14	Plat Nos. 13875-13876	90221469	617 Crawford's Ridge Road
15	Plat Nos. 13875-13876	90221470	619 Crawford's Ridge Road
16	Plat Nos. 13875-13876	90221471	621 Crawford's Ridge Road
17	Plat Nos. 13875-13876	90221472	623 Crawford's Ridge Road
18	Plat Nos. 13875-13876	90221473	620 Crawford's Ridge Road
19	Plat Nos. 13875-13876	90221474	618 Crawford's Ridge Road
20	Plat Nos. 13875-13876	90221475	616 Crawford's Ridge Road
21	Plat Nos. 13875-13876	90221476	614 Crawford's Ridge Road
22	Plat Nos. 13875-13876	90221477	612 Crawford's Ridge Road
23	Plat Nos. 13875-13876	90221478	610 Crawford's Ridge Road
24	Plat Nos. 13875-13876	90221479	608 Crawford's Ridge Road
25	Plat Nos. 13875-13876	90221480	606 Crawford's Ridge Road
26	Plat Nos. 13875-13876	90221481	604 Crawford's Ridge Road
27	Plat Nos. 13875-13876	90221482	602 Crawford's Ridge Road
Total Lots=27			

Grantor: Ridgemoor Utility, L.L.C.
 c/o K.Hovnanian Developments of Maryland, Inc.
 1802 Brightseat Road, 6th Floor
 Landover, Maryland 20785

Grantee: Utility Funding, LLC
5816 Mossrock Drive
North Bethesda, Maryland 20852
Attn: Mr. Scott Price

Consideration: None

Title Insurance Company: N/A

After recording, please return to:
Linowes and Blocher LLP
7200 Wisconsin Avenue, Suite 800
Bethesda, Maryland 20814
Attn: Brian D. Bichy

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