HAMILTON COURT HOMEOWNERS ASSOCIATION INFORMATION BROCHURE

A homeowners' association is a non-profit, non-stock corporation which is established for the purposes of providing for the maintenance, preservation and architectural control of residential lots, owning, improving, maintaining and preserving the common area located within the subdivision, and promoting the health, safety and welfare of the residents within the area now or hereafter coming under its jurisdiction. This Information Brochure contains condensed versions of some of the provisions of the homeowners' association's documents. Please review the actual homeowners' association documents for more detail.

The Declarant (The Ryland Group, Inc.) presently contemplates that when fully developed, the HAMILTON COURT subdivision (the "Development") will contain forty-two single family townhomes. The Development is not within or a part of another development. The Association may annex additional area to the Declaration with the consent of at least sixty-seven percent (67%) of the Class A Members and the required percentage of the holders of notes secured by first deeds of trust. As long as there is a Class B Member, the Declarant may unilaterally annex additional areas and provide for maintenance, preservation and architectural control of Lots and Common Area within such areas in accordance with Article XIII, Section 6 of the Declaration. Annexation of additional areas may result in an increase in the membership of the Association.

The property currently planned to be owned, leased or maintained by the Association is the "Open Space, HAMILTON COURT" as shown on the final subdivision plat and the revised final subdivision plat, both recorded among the Frederick County land records (the "Common Area"). Additional Common Area may be acquired by the Association in the future. The Association will be responsible for management and maintenance of the Common Area and facilities located thereon. The Association may also be responsible for maintenance of some easement areas. Each Owner shall be responsible for the proper maintenance of its lot, however it is presently intended that the Association will mow the front yards of the lots. If an Owner fails to properly maintain its lot, the Association may choose to maintain it and charge the Owner therefor. The Association will maintain the community sidewalks in the Common Area and along the fronts of the lots, however that maintenance will not include snow removal. Snow removal shall be the responsibility of each homeowner upon whose lot a sidewalk is located and/or whose lot abuts a sidewalk located on the Common Area.

Certain operations of the Development are governed by Hamilton Court Homeowners Association, known informally as the "Association" or "HOA". The record owner of a lot within the Development shall be a Class A Member of the Association and such ownership is the sole qualification for membership in the Association. The Association shall have two (2) classes of voting membership, "A" and "B".

<u>Class A</u>: Class A Members shall be the record owner of a lot, with the exception of the Declarant, and shall be entitled to one (1) vote for each lot owned. When more than one (1) person holds an interest in any lot, all such persons shall be members of the Association, but there shall be no more than one (1) vote for any lot.

<u>Class B</u>: The Class B Member shall be the Declarant and certain of its successors or assigns, and shall be entitled to forty-four (44) votes until the development is finished and all municipal bonds released, ten (10) years from the date of recordation of the Declaration, or such earlier date as the Declarant may choose.

The Association shall be governed by a Board of Directors which shall initially be named by the Declarant and thereafter elected at an annual meeting of the members. The Board shall consist of three (3) directors whose typical term shall be for three (3) years. The Board shall elect the following officers for the Association: president and vice president who shall be members of the Board of Directors, treasurer and secretary. The Board of Directors, either directly or through the Architectural Review Board appointed by the Board, shall control any exterior property change. In the event a provision of the Declaration of Covenants, Conditions and Restrictions (the "Declaration") is violated, the Association or any lot owner shall have the right to take action to correct the violation. An owner may be liable for the acts of its tenants or guests for a violation of a covenant or damage to the Common Area in accordance with applicable law.

The initial annual assessment for all Lots except unoccupied Lots owned by the Declarant shall be One Thousand Twenty Dollars (\$1,020.00), collected monthly. At the time of settlement of a lot from the Declarant to the new owner, a one-time working capital payment of One Hundred Twenty-Five Dollars (\$125.00) shall be paid by both the seller and the purchaser. The annual assessment must include the costs to acquire and maintain public liability and hazard insurance for the Common Area and the cost of such other insurance as the Association may elect. When not paid, an assessment shall be a charge on the land and shall be a continuing lien upon the property against which the assessment is made. If an assessment is delinquent for thirty (30) days or more, the Association may take legal action, such as file a law suit. No owner may waive or otherwise escape liability for an assessment because of abandonment of its lot or lack of use of the Common Area.

The Association may be dissolved with the consent of more than two-thirds (2/3) of each class of members and the required percentage of the holders of notes secured by first deeds of trust on any lots or the Common Area as provided in the Declaration or a deed of trust. A merger of the Association with another entity may result in an increase in the membership of the Association.

The Association has hired a professional management company, Koger Management Group, Inc., to manage its affairs. They can be contacted at:

Koger Management Group, Inc. 312-C E. Market Street Leesburg, Virginia 20176 703-771-3995

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