

**MARYLAND HOMEOWNERS ASSOCIATION ACT
HOMEOWNERS ASSOCIATION DEPOSITORY FILING**

CHESTNUT GROVE ASSOCIATION, INC.

Pursuant to the Maryland Homeowners Association Act (the "Act"), Title 11-B, Article RP, Annotated Code of Maryland, Chestnut Grove Association, Inc., a Maryland corporation, hereby submits the following disclosures for filing in the Homeowners Association Depository of Charles County, Maryland, as of this 18th day of March, 2008.

These disclosures are provided for the residential subdivision known as "Chestnut Grove" (the "Development"), located in the 1st Election District of Charles County, Maryland, on a certain parcel of real property (the "Property"), more particularly described in Exhibit A attached to the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements of the Development (more particularly referred to below), as the same may be amended or supplemented from time to time.

The Homeowners Association for the Owners of lots in the Development is known as "Chestnut Grove Association, Inc." The Association was formed as a Maryland corporation by Articles of Incorporation filed on November 21, 2008, with the Maryland State Department of Assessments and Taxation.

The Property is subject to a certain Declaration of Covenants, Conditions and Restrictions dated March 18, 2008, and recorded among the Land Records of Charles County, Maryland, in Liber 6739, at Page 356, as the same may be amended or supplemented from time to time (the "Declaration").

DISCLOSURES

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1. The Declarant under the Declaration is Chestnut Grove Venture, LLC, a Maryland limited liability company (hereinafter referred as the "Declarant"). The Declarant's principal address and telephone number are 12215 Potomac View Road, Newburg, Maryland 20664; (301) 934-9039.

2. As of the date of this filing, the Vendors of dwelling units in the Development are: (i) Forrest Builders, Inc., a Maryland corporation, 12215 Potomac View Road, Newburg, Maryland 20664; (301) 934-9039, a corporation whose principal officer is William J. Brozey at said address and telephone number; and (ii) Litz Custom Homes, Inc., a Maryland corporation, 29477 Horse Range Farm Lane, Mechanicville, Maryland 20659; (301) 938-0088; a corporation whose principal officer is Keith Litz at said address and telephone number.

RECORDING FEE 50.00
TOTAL 50.00
Rest CHES Rcpt # 2673
SLH LEY Bk # 1196
Jan 22, 2009 09:18 am

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3. The Development will be governed by a Homeowners' Association known as Chestnut Grove Association, Inc. (the "Association"). The Association is a non-stock corporation organized and existing under and by virtue of the laws of Maryland. The Association's Resident Agent in the State of Maryland is Stephen H. Scott, Post Office Box 610, 112 LaGrange Avenue, La Plata, Maryland 20646.

4. (i) The Development comprises approximately 193.174 acres of land, more or less, located in the 1st Election District, Charles County, Maryland. The total number of lots expected to be in the Development is 39 (referred to herein collectively as the "Lots", and individually as a "Lot"). As of the date of this Disclosure, 39 is the maximum number of Lots both planned and permitted (under applicable subdivision approvals as of the date hereof) for the Development. The Lots in the Development are presently intended to contain residential single-family detached homes, and the Development will also contain open space areas and common areas, drainage and stormwater management facilities, buffer areas, and forest conservation areas that will be owned and/or managed by the Association (the "HOA Common Areas"). Each Lot will be owned in fee simple by a homeowner (collectively, the "Owners", and individually, an "Owner").

(ii) Vendor and/or Declarant do not own property contiguous to the Development which will be dedicated to public use except as follows: land to be used for and in connection with drainage and stormwater collection systems, public and private utilities, conservation areas, and public roadways as shown on the present or future subdivision plans and recorded subdivision plats of the Development.

5. The Development will not be located within or a part of another subdivision or development.

6. The Declarant has reserved the right to annex additional property to the Development as provided in the Declaration.

7. Attached hereto and made a part of this Disclosure are copies of: (i) the Articles of Incorporation of the Association (Exhibit "A" hereto); (ii) the Declaration (Exhibit "B" hereto); and (iii) the By-Laws of the Development (Exhibit "C" hereto). An Owner, as purchaser of a Lot in the Development, will become obligated to the foregoing upon the becoming an Owner. These obligations are enforceable against an "Owner" of a Lot, as that term is defined in the Declaration, and the Owner's tenants, guests and other occupants of a Lot.

8. It is anticipated that the Association shall own and be responsible for maintaining the HOA Common Areas, which will consist of public and private drainage and storm water management facilities, buffer areas, and forest conservation areas within the HOA Common Area, open grassy areas, trees and other landscaping materials, and a subdivision monument and entry sign.

9. Information about the zoning and other land use restrictions affecting the Development is available and may be obtained by contacting the Charles County Government, Department of Planning and Growth Management, P.O. Box 2150, La Plata, Maryland 20646; telephone: (301) 645-0627.

10. (i) With respect to each Lot, mandatory annual dues assessments payable by the Owners of Lots to the Association shall commence on the first day of the month following the first conveyance of a Lot to an Owner other than the Declarant or the Vendor.

(ii) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner other than the Declarant or the Vendor, the Annual Assessment (as defined in the Declaration) may not exceed Three Hundred Fifty and 00/100 Dollars (\$350.00) per Lot. Commencing on January 1 of the year immediately following the conveyance of the first Lot to an Owner other than the Declarant or the Vendor, and for each fiscal year of the Association thereafter, the Annual Assessment may be increased up to the greater of: (a) ten percent (10%) more than the Maximum Annual Assessment for the preceding fiscal year of the Association, or (b) the percentage increase in the immediately preceding year in the "Consumer Price Index, for All Items, United States", published by the United States Department of Labor, Bureau of Labor Statistics, or, if no longer published, a successor or equivalent index. The Board of Directors of the Association may establish the Annual Assessment for each fiscal year of the Association at any amount not exceeding the foregoing. The Annual Assessment may exceed the foregoing limitations upon the affirmative vote of at least two-thirds (2/3) of all votes entitled to be cast by the Class A Members and the Class B Members of the Association (as defined in the Declaration), voting in person or by proxy, at a meeting duly called for that purpose at which a quorum is present.

(iii) The Board of Directors shall make reasonable efforts to set the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each fiscal year of the Association. Written notice of the Annual Assessment shall be sent to every Owner. Due dates shall be established by the Board of Directors. Any Assessment not paid within thirty (30) days of the due date established by the Board of Directors shall be considered Delinquent. The Association may collect Delinquent Assessments by obtaining a personal judgment against the Owner(s) of the Lot for which the Delinquent Assessment is due, enforcing a lien against the Lot, suspending the Owner(s)' (and any Resident, Tenant or other person having a license from the Owner) right to use the HOA Common Areas (and any community facilities thereon), and/or suspending the Owner(s)' voting rights in the Association.

(iv) Unpaid Assessments are a personal obligation of each Owner of the Lot for which the unpaid Assessments are due.

(v) Any Assessment not paid within thirty (30) days after the due date shall bear interest until paid at the rate of ten percent (10%) per annum, from the due date until the

date paid, and shall be subject to a late charge of the greater of \$25.00 or 5% of the amount of the Delinquent Assessment.

(vi) Any unpaid Assessments which are Delinquent may also be enforced and collected by imposing a lien on the Lot for which the Assessments are due pursuant to the terms of the Maryland Contract Lien Act.

(vii) The Lot Owner(s) will be assessed interest, late charges and attorneys' fees for collecting Delinquent Assessments. The Assessments, together with interest, late charges, costs of collection, and reasonable attorney's fees, shall be a charge upon the Lot for which they are due, and shall be a continuing lien upon the Lot against which the Assessments are made. Assessments, together with interest, late charges, costs of collection, and reasonable attorney's fees, shall also remain the personal obligation of the Owner(s) of the Lot for which they are due. Additionally, the Association may suspend the Owner(s)' voting rights during the period that Assessments remain Delinquent, and/or suspend the Owner(s)' right, and rights of the Tenants, Residents and Licensees of the Owner(s), to use the HOA Common Areas and any community facilities thereon. The Association may also avail itself of all available legal and equitable remedies for the collection of Delinquent Assessments.

(viii) In addition to assessments, a one-time initial capital contribution is due to the Association as to each Lot as provided in Article IV, Section 14 of the Declaration, and which is enforced and collected in the same manner as assessments.

(ix) The Declarant is exempt from assessments and capital contributions.

11. (i) The Declarant and each Vendor have the right generally to conduct land development and construction activities within the Development and to maintain real estate sales and construction offices on the Property. The Declarant and each Vendor may also maintain model homes, displays, signs and special lighting on any part of the HOA Common Area or any Lot owned by any of them. The Declarant and each Vendor have easements for, and have the right to grant easements for, grading, construction and development of the Property, and for the installation and maintenance of pipes, mains, conduits, drains, lines or other facilities for water, storm sewer, storm water management, gas, electric, telephone, cable television, drainage and other public utilities and facilities on, over, or under the Property. The Declarant has the right to reserve, convey and/or encumber conservation areas on the Property. The Declarant has the unilateral right to amend the Declaration. The Declarant has the right to amend and change the subdivision plats of the Development. The Declarant and each Vendor have such other special rights and privileges as are described in the Declaration, including the right to assign certain reserved easements to the Charles County Government.

(ii) The Declarant has the right to assign its rights to the Vendors and any other homebuilders in the Development. Such assignment shall only be by written instrument

signed by the Declarant. Such assignment shall not apply to any Lot which is improved by a home occupied by any party as a dwelling. Any such assignment may be revoked at any time.

(iii) The Declarant and each Vendor are exempt from all use restrictions and architectural control provisions of the Declaration. The Declarant and each Vendor are the Class B members of the Association, and are entitled to three (3) votes for each Lot to which each holds record title. Class B membership shall terminate and be converted into Class A membership on the expiration of the Development Period (as defined in the Declaration).

12. As of the date of this Disclosure, the management agent of the Association is the Declarant. The Declarant is authorized by the Association to provide information to the public regarding the Association and the Development.

IN WITNESS WHEREOF, the undersigned, being the President of Chestnut Grove Association, Inc., has hereunto placed his hand and seal as of the date and year first above written.

WITNESS/ATTEST:

Chestnut Grove Association, Inc.

William J. Brozey

William J. Brozey (SEAL)
William J. Brozey, President

STATE OF MARYLAND,
COUNTY OF CHARLES; ss

St. Mary's

I HEREBY CERTIFY that on this 18th day of March, 2008, before me, the subscriber, a Notary Public of the State of Maryland, in and for the county aforesaid, personally appeared William J. Brozey, as the President of Chestnut Grove Association, Inc., a Maryland corporation, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he, having such authority, executed the same for the purposes therein contained.

AS WITNESS my hand and notarial seal.

Keri Davis
Notary Public

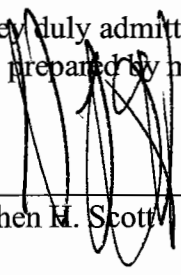
My commission expires: 11-20-2011



KERI DAVIS
Notary Public, State of Maryland
St. Mary's County
My Commission Expires November 20, 2011

ATTORNEY'S CERTIFICATION

I HEREBY CERTIFY that I am an attorney duly admitted to practice before the Court of Appeals of Maryland and that this instrument was prepared by me or under my supervision.



Stephen H. Scott

After recording return to:

Stephen H. Scott, Esq.
Chapman, Bowling & Scott, P.A.
P.O. Box 610
La Plata, MD 20646

HOA – Chestnut Grove / Maryland Homeowners Association Act