

DECLARATION OF COVENANTS

ORCHARD KNOLLS HOMEOWNERS ASSOCIATION

APPROVAL DATE: June 30, 1989

UPDATES:

October 15, 1992	Resolution for Collection of Overdue Assessments
April 26, 1995	Revised Quorum Requirements (By-Laws Amended)
April 26, 1995	Rule Pertaining to Day Care Homes
October 19, 1998	Rule Pertaining to Satellite Dish Antennae
September 9, 2002	Rule Pertaining to Satellite Dish Antennae

THIS DECLARATION is made this 30th day of June, 1989, by NVLAND, INC., a Virginia corporation, hereinafter sometimes called the "Declarant".

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property, located in Montgomery County, Maryland, described in Article II hereof and desires to create and develop thereon a residential community with permanent common areas and community facilities for the benefit of said community; and

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities in said community and for the maintenance of said common areas and community facilities; and to this end, desires to subject the real property described in Article II hereof to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which are for the benefit of said property and the subsequent owners thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an association to which should be delegated and assigned the powers and duties of maintaining and administering the common areas and community facilities, administering and enforcing the within covenants and restrictions and disbursing the charges and assessments hereinafter created; and

WHEREAS, the Declarant has formed or intends to form the Orchard Knolls Homeowners Association, Inc., as a non-profit corporation without capital stock under the Laws of the State of Maryland for the purposes of carrying out the powers and

duties aforesaid.

NOW, THEREFORE, the Declarant hereby declares that the real property described in Article II hereof is and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter sometimes referred to as “covenants and restrictions” hereinafter set forth, all of which are declared and agreed to be in aid of a plan for improvement of said property, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and any person acquiring or owning an interest in said property and improvements, including, without limitation, any person, group of persons, corporation, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation.

ARTICLE I

DEFINITIONS

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

(a) “Association” shall mean and refer to the Orchard Knolls Homeowners Association, Inc., and its successors and assigns.

(b) The “Property” shall mean and refer to all real property described in Article II hereof and such additions thereto as may hereafter be made pursuant to the provisions of Article II.

(c) “Lot” shall mean and refer to all subdivided parcels or property (exclusive of the common areas) which are part of the Property.

(d) “Common Areas” and “Community Facilities” shall mean and refer to the sum of all real property owned or leased by the Association or otherwise available to the Association for the benefit, use and enjoyment of all its members.

(e) “Completed Dwelling Unit” shall mean and refer to any building or portion of a building situated upon the Property and designed and intended for use and occupancy as a residence by a single person or family, which has been approved for occupancy by the governmental authorities having jurisdiction there over.

(f) “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated on the Property, including

contract seller, but excluding those having such interest solely as security for the performance of an obligation.

(g) “Declarant” or “Developer” or “Grantor” shall mean and refer to the Declarant hereinabove identified in the preamble to this Declaration, and its successors and assigns; provided, however, that the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant shall not inure to the benefit of or burden the successors and assigns of the Declarant except to the extent that any of the rights, reservations, easements, interests, exemptions, privileges or powers of the Declarant are specifically assigned or transferred to any such successor or assign by instrument in writing.

(h) “Mortgagee”, as used herein, means the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. “Mortgage”, as used herein, shall include deed of trust. “First Mortgage”, as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term “mortgagee” shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term “institutional mortgagee” or “institutional holder” shall include banks, trust companies, insurance companies, mortgage insurance companies, ~savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association (“FNMA”), Government National Mortgage Association (“GNMA”), Federal Home Loan Mortgage Corporation (“FHLMC”), all corporations and any agency or department of the United States Government or of any state or municipal government. As used in this Declaration the terms “holder” and “mortgagee” shall include the parties secured by any deed of trust or any beneficiary thereof.

In the event any mortgage is insured by the Federal Housing Administration (“FHA”) or guaranteed by the Veterans Administration (VA), then as to such mortgage the expressions “mortgagee” and “institutional mortgagee” include the FHA or the VA, as the circumstances may require, acting, respectively, through the Federal Housing Commissioner and the Commissioner of Veterans Benefits or through other duly authorized agents.

(i) “Member” shall mean and refer to every person, group of persons, corporation, trust or other legal entity, or any combination thereof, who holds any class of membership in the Association.

(j) The “Private Streets and Roadways” shall mean and refer to all streets, roadways, sidewalks, curbs, gutters and parking areas which are part of the Common Areas.

(k) “Single Family Lots” shall mean those Lots on which detached single family dwellings shall be erected and which are described on Exhibit B attached hereto and made a part hereof, and shall mean and refer to each and every one of the Lots so designated and described in any Supplementary Declaration of Covenants and Restrictions made by the Declarant or others pursuant to the provisions of Article II of this Declaration.

(l) “Townhouse Lot” shall mean and refer to each and every one of the Lots described on Exhibit C attached hereto (*If any*) and incorporated herein by this reference and shall mean and refer to each and every of the Lots so designated and described in any supplementary Declaration of Covenants and Restrictions made by the Declarant or others pursuant to the provisions of Article It of this Declaration.

(m) “Common Area A” shall mean and refer to all, that land owned by the Association and described in Exhibit D attached hereto and made a part hereof by reference. Common Area A shall be held for the common use *and* enjoyment of all of the owners, whether they be owners of Townhouse Lots or Single Family *Lots*, and shall be operated and maintained by the Association for the use and benefit of its members

(n) “Common Area B” shall mean and refer to all that land owned by the Association and described in Exhibit E attached hereto and made a part hereof by reference. Common Area B shall constitute the parking area and streets which are to be used exclusively by the owners *of* the Townhouse Lots and their invitees.

(o) all storm water management areas, including, but not limited to, the storm drains themselves, located within Common Area A and Common Area B shall be maintained and repaired by the Association.

(p) ‘Development Plan’ shall mean the Development plan for Orchard Knolls, dated May 5, 1908, including all amendments thereto as may be made from time to time.

Whenever in this Declaration any action is required to be taken by a specified percentage of ‘each class of the then members’ of the Association, then such action shall be required to be taken separately by the specified percentage of the then outstanding Class A members of the Association and by the specified percentage of the then outstanding Class B members of the Association. Whenever in this Declaration any action is required to be taken by a specified percentage or the “then membership of the Association then such action shall be required to be taken by the specified percentage of the then outstanding cumulative membership of the Association.

ARTICLE II

PROPERTY ENCUMBERED

Section 1. Property Subject to Declaration. The real property which is, and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in Montgomery County, State of Maryland, and is more particularly described on Exhibit A attached hereto and by this reference made a part hereof.

Section 2. Additions. So long as there are Class B members of the Association, additional property may be annexed to the above-described property without the consent of the Class A members of the Association, if any. Following the lapse or surrender of the Class B memberships, as provided for in Article III of this Declaration, additional property may be annexed to the above-described property without the consent of the Class A members of the Association, if any, so long as such additional property is adjacent to or in the immediate vicinity of the property described on Exhibits A through E. The scheme of the within Covenants and Restrictions shall not, however, be extended to include any such additional property unless and until the same is annexed to the real property described on “EXHIBITS A through E” as hereinafter provided.

Any annexations made pursuant to this Article, or otherwise, shall be made by recording a Supplementary Declaration of Covenants and Restrictions among the Land Records for Montgomery County, Maryland, which Supplementary Declaration shall extend the scheme of the within Declaration of Covenants and Restrictions to such annexed property.

Such Supplementary Declaration may contain such complementary additions and modifications to the Covenants and Restrictions set forth in the within Declaration as may be necessary to reflect the different character or use, if any, of such annexed property; provided, however, that in no event shall any such addition or modification be substantially inconsistent with the provisions of the within Declaration. Such annexations need not be made by the Declarant; provided, however, that any such annexation accomplished by persons other than the Declarant shall have the written consent of the Declarant.

So long as any Lot is encumbered by a deed of trust or mortgage, which is guaranteed by the Veterans Administration, no annexation, except for that property adjacent to or in the immediate vicinity of the property described on Exhibits A through E, shall be made pursuant to this Article, or otherwise, except following a determination by the Veterans Administration that the annexation conforms to a general plan for the development of the community previously approved by the Veterans Administration, or, if no such general plan was approved by the Veterans Administration, except following the prior written approval of the Veterans Administration.

ARTICLE III

MEMBERSHIP

Section 1. Membership. The Association shall have two classes of voting membership which shall be known as “Class A” and “Class B”:

Class A: Class A members shall be all Owners with the exception of the Declarant (with respect to any Lot for which the Declarant holds a Class B membership). Class A members 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. 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 by a Class A member with respect to any Lot.

Class B: The Class B member(s) shall be the Declarant (as defined herein). Class B member(s) shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to a Class A membership upon the happening of any of the following events, whichever occurs earliest:

(i) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, except when the provisions of Article II of this Declaration permit additional land to be annexed, and such annexation may cause the total Class B votes to again exceed the total Class A votes, the Class B membership shall not be terminated under this paragraph; or

(ii) seven (7) years from the date of recordation of this Declaration; provided, however, that if the Declarant is delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Declarant’s control, then the aforesaid seven (7) year period shall be extended by a period of time equal to the length of the delays or two (2) years, whichever is less.

Upon the lapse or surrender of all of the Class B memberships as provided for in this Article, the Declarant shall thereafter remain a Class A member of the Association as to each and every Lot in which the Declarant then holds the interest otherwise required for such Class A membership.

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

ARTICLE IV

PROPERTY RIGHTS

Section 1. Member's Right of Enjoyment. Every member shall have a non-exclusive right and easement of enjoyment, in common with others, in and to Common Area A and the community facilities located thereon, if any, and such non-exclusive right and easement shall be appurtenant to and shall pass with the fee title to every Lot subject to the following:

(a) The right of the Association, in accordance with its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the common areas and community facilities in a manner designed to promote the enjoyment and welfare of the members and in aid thereof, and with the consent of two-thirds (2/3) of each class of the then members of the Association, voting separately, to mortgage any of the common areas and community facilities; and

(b) The right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosure; provided, however, that the same are in conformity with the other provisions of this Declaration; and

(C) The right of the Association to adopt reasonable rules respecting use of the common areas and community facilities to reasonably limit the number of guests of members to the use of any facilities which are developed upon the Property; and

(d) The right of the Association to suspend the voting rights and the rights to use of the common areas and community facilities for any period during which any assessment remains unpaid and for any period not to exceed sixty (60) days for any infraction of any of the published rules and regulations of the Association; and

(e) The right of the Association to dedicate or transfer all or any part of the common areas or community facilities to any public or municipal agency, authority or utility for purposes consistent with the purpose of this Declaration and subject to such conditions as may be agreed to by the members; provided, however, that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless two-thirds (2/3) of each class of the then members of the Association consent to such dedication, transfer, purpose and conditions, at any special meeting of the members duly called for such purpose; and, provided further, that any such dedication or transfer shall also be subject to the limitations provided for in Sections 9 and 10 of Article **XIV** of this Declaration; and

(f) The right of the Association, acting by and through its Board, of Directors,

to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility and cable television lines or appurtenances, whether public or private, to any municipal agency, public utility, cable television franchise, the Declarant or any other person; provided, however, that no such licenses, rights-of—way or easements shall be unreasonably and permanently inconsistent with the rights of the members to the use and enjoyment of the common areas and community facilities; and

(g) The right of the Association to charge reasonable and uniform admission and other fees for the use of any recreational facility situated upon the Common Area; and

(h) the right of Declarant (and its sales agents and representatives) to the non-exclusive use of the Common Area for display and exhibit purposes, which right Declarant hereby reserves; provided, however, that such use shall not be for a period of more than ten (10) years after the conveyance of the Common Area to the Association, or the sale of all residential Lots within the Properties, whichever is the earlier; provided, further, that no such use by Declarant or its sales agents or representatives shall otherwise restrict the members in their use and enjoyment of the Common Area or facilities thereon.

Section 2. Townhouse Owners Easements of Enjoyment. Every owner of a Townhouse Lot shall have a right and easement of enjoyment in and to Common Area B which shall be appurtenant to and shall pass with the title to every Lot subject to the hereinbefore mentioned provisions of Article IV, Section 1.

Section 3. Delegation of Right of Use. Any member of the Association may delegate his rights to the use and enjoyment of the common areas and community facilities to the members of his family who reside permanently with him and to his tenants, contract-purchasers, invitees and guests, all subject to such reasonable rules and regulations which the Association may adopt and uniformly apply and enforce.

Section 4. Parking Rights. Ownership of each Townhouse Lot which is without a garage and driveway shall entitle the Owner or Owners thereof to the use of not more than two (2) automobile parking spaces, which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in and upon said parking area. For those Townhome Lots, upon which is provided a garage and driveway, the entitlement to two (2) automobile parking spaces shall be met by such garage and driveway. If the Association deems it necessary, it may, at its option, permanently assign one parking space for each Lot which does not have a garage and driveway.

Section 5. Parking Rules. Parking with the Property shall be subject to the following

restrictions:

(a) All owners and occupants of any dwelling located on a Lot within the Property, which Lot has a garage and driveway, shall park within such Lot either in the garage or on the driveway.

(b) Parking is not permitted on the Lots, other than in the garage or on the driveway.

(c) Parking shall be permitted in the streets and roadways within the Property, only within those areas so designated and appropriately striped.

(d) The Board of Directors of the Association shall be entitled to establish supplemental rules concerning parking on any portion of the Common Area and Lots, including, without limitation, reasonable fines and provisions for involuntary removal of any vehicle violating the provisions of this Declaration and/or such rules.

Section 6. Limitations.

(a) Any other provision of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend the right of any member of the Association to use the Private Streets and Roadways for both vehicular and pedestrian ingress and egress to and from his Lot and for parking.

(b) Any other provision of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend the right of any member of the Association to use the common areas and community facilities for necessary, ordinary and reasonable pedestrian ingress and egress to and from his Lot or to suspend any easement over the common areas and community facilities for storm water drainage, electrical energy, water, sanitary sewer, natural gas, CATV service, telephone service or similar utilities and services to the Lots.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. General Maintenance Assessment. Except as the assessment of the Declarant may be limited by the provisions of Article VII of this Declaration, each person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who becomes a fee owner of a Lot within the Property, which has been improved with a Completed Dwelling Unit, (i.e., each Class A member of the Association), by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other

conveyance, shall be deemed to covenant and agree to pay the Association, in advance, a monthly sum (herein elsewhere sometimes referred to as a “general assessment” or “maintenance assessment”) equal to one twelfth (1/12) of the member’s proportionate share of the sum required by the Association, as estimated by its Board of Directors, to meet its annual expenses, including but in no way limited to the following:

(a) the cost of all operating expenses of the common areas and community facilities and the services furnished to or in connection with the common areas and community facilities, including charges by the Association for any services furnished by it; and

(b) The cost of necessary management and administration of the common areas and community facilities, including fees paid to any Management Agent; and

(c) The amount of all taxes and assessments levied against the common areas and community facilities; and

(d) the cost of liability insurance on the common areas and community facilities and the cost of such other insurance as the Association may effect with respect to the common areas; and

(e) The cost of utilities and other services which may be provided by the Association, whether for the common areas and community facilities or for the Lots, or both; and

(f) the cost of maintaining, replacing, repairing, and landscaping the common areas and/or designated planting areas, including, without limitation, maintenance of any storm water detention basins or the like located upon the common areas and the cost of the maintenance of all pathways upon the Property, together with such equipment as the Board of Directors shall determine to be necessary and proper in connection therewith; and

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

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

The Board of Directors shall prepare, or cause the preparation of an annual operating budget for the Association which shall provide, without limitation, for the management, operation and maintenance of the common areas and Townhouse streets and roadways, and the mowing of the Townhouse Lots as hereinafter provided. The Board of Directors of the Association shall make reasonable efforts to fix the amount of the annual maintenance assessment against each Lot for each assessment period at least thirty (30) days in advance of the beginning of such period and shall, at that time, prepare a roster of the Lots and the annual maintenance assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner upon reasonable notice to the Board. Written notice of the annual maintenance assessments shall thereupon be sent to the Class A members. The omission by the Board of Directors, before the expiration of any assessment period, to fix the amount of the annual maintenance assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any Class A member from the obligation to pay the annual maintenance assessment, or any installment thereof, for that or any subsequent assessment period; but the annual maintenance assessment fixed for the preceding period shall continue until a new maintenance assessment is fixed. No Class A member may exempt himself from liability for maintenance assessments by abandonment of any Lot belonging to him or by the abandonment of his right to the use and enjoyment of the common areas and community facilities.

This Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the dwellings or their appurtenances and the responsibility and duties of the Association for maintenance and repairs shall be limited to the common areas, community facilities and the Townhouse streets and roadways. The owner of any Lot shall, at his own expenses maintain his Lot and dwelling and any and all appurtenances thereto, in good order, condition and repair and in a clean, sightly and sanitary condition at all times.

Section 2. Special Maintenance Assessments. In addition to the regular maintenance assessments authorized by this Article, the Association may levy in any assessment year a special maintenance assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, extraordinary repair or replacement of a described capital improvement located upon, or forming a part of the common areas and community facilities, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate; provided, however, that any such assessment shall have the assent of the members representing a majority of the then Class A members of the Association and two-thirds (2/3) of the then Class B members of the Association. A meeting of the members shall be dully called for this purpose.

Section 3. Reserves for Replacements. The Association may establish and maintain a reserve fund for repairs and replacements of the common areas and community facilities by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by any State or by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in the obligations of, or fully guaranteed as to principal by, the United States of America.

The reserve for replacement of the common areas and community facilities may be expended only for the purpose of effecting the replacement of the common areas and community facilities, major repairs, equipment replacement and for start-up expenses and operating contingencies of a non-recurring nature relating to the common areas and community facilities. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. In no event shall reserves be collected for such facilities until the fiscal year in which such facilities, or a clearly identifiable portion thereof, are substantially complete. The proportional interest of any member in any such reserves shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

Section 4. Maximum Annual Maintenance Assessments. The initial maximum annual maintenance assessment for each of the Lots to which *Class A* membership is appurtenant shall not exceed the sum of Three Hundred Thirty—Six Dollars (\$336.00) per annum. Except as assessment of the Declarant may be limited by the provisions of Article VII of this Declaration, the annual maintenance assessment shall be levied at a uniform rate for each Lot to which Class A membership is appurtenant.

Section 5. Increase in Maximum Annual Maintenance Assessment.

(a) from and after January 1, of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual maintenance assessment for all Class A memberships hereinabove provided for, may be increased by the Board of Directors of the Association, without a vote of the Class A membership, by an amount equal to ten percent (10%) of the maximum annual assessment for the preceding year plus the amount by which the prevailing Consumer Price Index shall have increased above the level prevailing as of the date of the recording of this Declaration, plus the amount by which any ad valorem real estate taxes and casualty and other insurance premiums payable by the Association have increased over amounts payable for the same or similar items for the

previous year.

(b) from and after January 1, of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual maintenance assessment for all Class A memberships hereinabove provided for, may be increased above that established by the preceding paragraph by a vote of the members, as hereinafter provided, for the next succeeding year, and, thereafter, at the end of such year, for each succeeding year. Any change made pursuant to this paragraph shall have the assent of a majority of the then Class A members of the Association, and two-thirds (2/3) of the then Class B members of the Association. A meeting of the members shall be duly called for this purpose.

(C) The Board of Directors may from time to time fix the annual assessment at an amount not in excess of the maximum.

Section 6. Notice and Quorum for any Action Authorized Under Sections 2 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 2 or 5 shall be sent to all members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one—half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE VI

TOWNHOUSE ASSESSMENTS

Section 1. Annual Supplementary Townhouse Maintenance Assessments. In addition to the annual maintenance assessments provided for in Article V of this Declaration, and not in lieu thereof, and except as assessment of the Declarant may be limited by the provisions of Article VII of this Declaration, each person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who becomes a fee owner of a townhouse Lot within the Property, which Townhouse Lot has been improved with a Completed Dwelling Unit, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay the Association, in advance, a monthly sum, (herein elsewhere sometimes referred to as “Townhouse maintenance assessments”) equal to one-twelfth (1/12) of the members proportionate share of the sum required by the Association, as estimated by its Board of Directors, to meet its annual expenses of maintaining Private Streets and Roadways and for performing such maintenance and repairs upon the

Townhouse Lots as the Association may from time to time elect to perform, including, but not necessarily limited to, the following:

(a) The cost of maintaining, replacing and repairing the Private Streets and Roadways, in whole or in part, including, and without limitation, snow removal, parking area striping, sweeping and washing, the pruning and maintenance of street trees, the mowing and mulching and maintenance of common areas adjacent to the Private Streets and Roadways, specialty signing and the like; and

(b) The cost of funding a separate reserve to be established by the Association for the non-recurring repair and replacement of the Private Streets and Roadways, in whole or in part, and

(c) The cost of maintaining such other areas within the townhouse community as the Board of Directors may so elect.

This Declaration does not contemplate that the Association shall have any responsibility to mulch, apply chemicals or pesticides, prune trees and shrubs, remove snow, edge sidewalks or plant flowers on the townhouse Lots. The Association shall be responsible, only, to mow those Townhouse Lots which have not been fenced, in any way.

The Board of Directors shall determine the amount of the Townhouse maintenance assessments annually but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board of Directors, installments of annual Townhouse maintenance assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis hereinabove provided for. Any Class A member so obligated may prepay one or more installments on any annual Townhouse assessment levied by the Association, without premium or penalty.

The Board of Directors shall prepare, or cause to be prepared an annual maintenance budget for the Private Streets and Roadways. The Board of Directors of the Association shall make reasonable efforts to fix the amount of the annual Townhouse maintenance assessment against each Townhouse Lot for each assessment period at least thirty (30) days in advance of such period, and shall, at that time, prepare a roster of assessments applicable thereto which shall be kept in the office of the Association and shall be open for inspection by any owner upon reasonable notice to the Board. Written notice of the annual Townhouse maintenance assessments shall thereupon be sent to the Class A members. The omission by the Board of Directors, before the expiration of any assessment period, to fix the amount of the annual Townhouse maintenance assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any Class A member so obligated

from the obligation to pay the annual Townhouse maintenance assessment, or any installment thereof, for that or any subsequent assessment period; but the annual Townhouse maintenance assessment fixed for the preceding period shall continue until a new Townhouse maintenance assessment is fixed. No Class A member so obligated may exempt himself from liability for Townhouse maintenance assessments by abandonment of any Townhouse Lot belonging to him or by the abandonment of his right to the use and enjoyment of the Private Streets and Roadways.

Section 2. Special Townhouse Maintenance Assessments. In addition to the regular Townhouse maintenance assessments authorized by this Article, the Association may levy in any assessment year a special Townhouse assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair or replacement of a described capital improvement located upon, or forming a part of the Private Streets and Roadways; provided, however, that any such special Townhouse maintenance assessment shall have the assent of the then owners of not less than two-thirds (2/3) of the Townhouse Lots and two-thirds (2/3) of the then Class B members of the Association.

Section 3. Reserve for Repairs and Replacements of the Private Streets and Roadways. The Association shall establish and maintain a separate reserve fund for repairs and replacements (in whole or in part) of the Private Streets and Roadways by the allocation and payment periodically to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such fund may be deposited in any banking institution, the accounts of which are insured by any State or by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

The reserve for repairs and replacements of the Private Streets and Roadways may be expended only for the purpose of affecting the repairs and replacement (in whole or in part) of the Private Streets and Roadways and for operating contingencies of a non-recurring nature relating to the Private Streets and Roadways. The Association may establish such other reserves for such other purposes associated with the Private Streets and Roadways as the Board of Directors may from time to time consider to be necessary or appropriate. In no event shall reserves be collected for such streets and roadways until the fiscal year in which such streets or roadways, or an identifiable portion thereof, is substantially complete. The proportional interest of any member in any such reserves shall be considered appurtenance to his Townhouse Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Townhouse Lot to which it appertains and shall be deemed to be transferred with such Townhouse Lot.

Section 4. Maximum Annual Townhouse Maintenance Assessments. The initial maximum annual Townhouse maintenance assessment for each of the Townhouse Lots

shall not exceed the sum of Three Hundred Dollars (\$300.00) per annum. Except as the assessment of the Declarant may be limited by the provisions of Article VII of this Declaration, the annual Townhouse maintenance assessment shall be levied at a uniform rate for each Townhouse Lot.

Section 5. Increase in Maximum Annual Townhouse Maintenance Assessment.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual Townhouse maintenance assessment hereinabove provided for may be increased by the Board of Directors of the Association, without a vote of the Class A membership and without a vote of the then owners of the Townhouse Lots, by an amount equal to ten percent (10%) of the maximum annual Townhouse maintenance assessment for the preceding year.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual Townhouse maintenance assessment hereinabove provided for may be increased above that established by the preceding paragraph by a vote of the then owners of the Townhouse Lots, as hereinafter provided, for the next succeeding year and, thereafter, at the end of such year, for each succeeding year. Any change made pursuant to this subparagraph shall have the assent of two-thirds (2/3) of the then owners of the Townhouse Lots and two-thirds (2/3) of the then Class B members of the Association. A meeting of the members shall be duly called for this purpose.

(C) The annual assessment for Townhouse Lots (Annual Supplementary Townhouse Maintenance Assessments as defined in Article VI hereof) may be reduced only if there is a corresponding percentage decrease in the Annual Maintenance Assessment as defined in Article V hereof. This requirement may be modified only by the affirmative vote of eighty percent (80%) of all the then Lot owners taken at a special meeting of members duly called.

Section 6. Notice and Quorum for any Action Authorized Under Sections 2 and 5(b). Written notice of any meeting called for the purpose of taking any action authorized under Sections 2 or 5(b) shall be sent to all owners of the Townhouse Lots and all Class B members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of the owners of the Townhouse Lots and of the Class B membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE VII

PAYMENT OP ASSESSMENTS

Section 1. Non-Payment of Assessments. Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon and the cost of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the Lot or Lots belonging to the member against whom such assessment is levied and shall bind such Lot or Lots in the hands of the then owner, his heirs, devisees, personal representatives and assigns to the extent permitted by law. The personal obligation of the member to pay such assessment shall, in addition, remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any assessment levied pursuant to this Declaration, or any installment thereof, may be maintained without foreclosing or waiving the lien herein created to secure the same.

Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid within ten (10) days after it is due, may, upon resolution of the Board of Directors, bear interest at a rate not to exceed six percent (6%) per annum, with adjustments in accordance with the Consumer Price Index, and may subject the member obligated to pay the same to the payment of such penalty or "late charge" as the Board may fix, and the Association may bring an action at law against the member personally obligated to pay the same, or foreclose on the lien against the Lot or Lots then belonging to said member in the manner provided in the Maryland Contract Lien Act, or as may otherwise from time to time be provided by law, in either of which events interest, costs and reasonable attorneys' fees of not less than twenty percent (20%) of the sum claimed shall be added to the amount of each assessment.

If requested in writing so to do by a mortgagee, the Association 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 thirty (30) days and in any other case where the owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days, but any failure to give such notice shall not affect the validity of the lien for any assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities established in this Article.

The Board of Directors may post a list of members who are delinquent in the payment of any assessments or other fees which may be due the Association, including any installment thereof, which becomes delinquent, in any prominent location upon the Property.

Section 2. Assessment Certificates. The Association shall upon demand at any time furnish to any member 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 Association, 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 Thirty Dollars (\$30.00) may be levied in advance by the Association for each certificate so delivered.

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

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

(a) General and special assessments for ad valorem real estate taxes on the Lot; and

(b) the liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Lot prior to the assessment thereon of the maintenance assessments and Townhouse maintenance assessments provided for in this Declaration or duly recorded on said Lot after receipt of a written statement from the Board of Directors reflecting that payments on account of any such assessments were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance.

Notwithstanding any other provision of this Declaration to the contrary, the lien of any assessment levied pursuant to this Declaration upon any Lot, as in this Article provided, shall be subordinate to the lien of any deed of trust, mortgage or other encumbrance duly recorded on such Lot and made in good faith and for value received and shall in no way affect the rights of the holder of any such deed of trust, mortgage or other encumbrance; provided, however, that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to a sale or transfer of the Lot pursuant to a foreclosure of such deed of trust, mortgage or other encumbrance, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure. Any holder of any deed of trust, mortgage or other encumbrance duly recorded on the Lot and made in good faith and for value received who comes into possession of the Lot pursuant to a foreclosure of such deed of trust, mortgage or other encumbrance, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any other

purchaser at a foreclosure sale, shall take the Lot free of any claims for unpaid maintenance assessments levied against the Lot which accrue prior to the foreclosure sale. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not, however, relieve the purchaser at any foreclosure sale from any liability for any maintenance assessments thereafter becoming due, or from the lien herein created to secure the payment of such maintenance assessments, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

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

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

Section 5. Additional Default. Any recorded first mortgage secured on a Lot in the Property shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to this Declaration, or any installment thereof, shall likewise be a default in such mortgage (or the indebtedness secured thereby); but failure to include such a provision in any such mortgage shall not affect the validity or priority thereof and the protection extended to the holder of such mortgage (or the indebtedness secured thereby) by reason of Section 4 of this Article shall not be altered, modified or dismissed by reason of such failure.

Section 6. Commencement of Annual Assessments. Except as may be otherwise resolved by the Board of Directors of the Association, the annual maintenance assessment for each Class A membership shall commence on the date a deed for the Lot to which such Class A membership is appurtenant is delivered by the Declarant to the member; but in no event shall the commencement of annual assessments be later than the conveyance of the first parcel of common area to the Homeowners Association. Except as may be otherwise resolved by the Board of Directors of the Association, the annual Townhouse maintenance assessment for each Class A membership appurtenant to a Townhouse Lot shall also commence on the date a deed for the Townhouse Lot to which such Class A membership is appurtenant is delivered by the Declarant to the member. The first monthly installment of each such annual assessment shall be made for the balance of the month during which a deed for the Lot is delivered to the member and shall become due and payable and a lien on the date a deed for the Lot is delivered to the member. Except as herein elsewhere provided, the monthly installments of each such annual assessment for any Lot for any month after the first month shall become due and payable and a lien

on the first day of each successive month.

Section 7. Assessment of Declarant. Each Member, including Declarant, shall pay the full maximum assessments for Lots owned by the Member, which have been improved with a Completed Dwelling Unit, provided such Completed Dwelling Units are occupied, whether as a model home, a sales office or otherwise. Declarant shall be required to pay twenty-five percent (25%) of the full maximum assessment for Lots owned by Declarant which have been improved by a Completed Dwelling Unit, but are unoccupied. The foregoing notwithstanding, Declarant shall be responsible for the payment of all of the Association's operating deficits, as of the end of each fiscal year, to the extent that the same are not funded by assessments and working capital contributions paid to the Association. Declarant shall not, however, be obligated to pay an amount in excess of that equal to one hundred percent (100%) of the assessments, which would be due for its Lots, were they owned by a Class A member.

Section 8. Exempt Property. No portion of the common areas or community facilities shall be subject to assessment of any kind by the Association.

Section 9. Working Capital Fund. At the time of the conveyance of each Lot and Townhouse Lot which is improved by a Completed Dwelling Unit to an owner, each such owner shall pay to the Association a non-refundable contribution to the Association's Working Capital Fund in an amount equal to Two Hundred Dollars (\$200.00). This payment shall be in addition to and shall not be credited toward the general assessment or Townhouse assessment due from each owner. The Working Capital Fund shall be used by the Association to assist in defraying its initial and ongoing operating expenses.

ARTICLE VIII

ARCHITECTURAL CONTROL

Section 1. Architectural and Environmental Review Committee. Except for Construction or development by, for or under contract with the Declarant, and except for any improvements to any Lot or to the common areas accomplished by the Declarant concurrently with said construction and development, and except for purposed of proper maintenance and repair, no building, fence, roof, wall or other improvements or structures shall be commenced, directed, placed, moved, altered, or maintained upon the Property, nor shall any exterior addition to or change (including any change of color) or other alteration thereupon be made until the complete plans and specifications showing the location , nature, shape, height, material, color, type of construction and any other proposed form of change (including without limitation , any other information specified by the Architectural and Environmental Review Committee) shall have been submitted to

and approved in writing as to harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the community by the Board of Directors of the Association or by an Architectural and Environmental Review Committee appointed by the Board of Directors.

Subject to the same limitations as hereinabove provided for, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, fences, wall, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, or to make any change or otherwise alter (including any alteration in color), in any manner whatsoever, the exterior of any improvements constructed upon any Lot or upon any of the common areas, or to combine or otherwise join two (2) or more dwellings, or to partition the same after combination, or to remove or alter any windows or exterior doors of any dwelling, until the complete plans and specifications, showing the location, nature, shape, height, material, color, type of construction and any other proposed form of change (including, without limitation, any other information specified by the Board of Directors or the Architectural and Environmental Review Committee) shall have been submitted to and approved in writing as to harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the community by the Board of Directors or the Architectural and Environmental Review Committee appointed by the Board of Directors.

All of the responsibilities and duties herein delegated to the Architectural and Environmental Review Committee shall be carried out by the board of Directors of the Association, unless and until the Board appoints such a committee. References hereinafter to the Architectural and Environmental Review Committee shall apply with equal force to the Board of Directors acting in the capacity of such a committee.

Section 2. Architectural and Environmental Review Committee -Operation. The Board of Directors may appoint an Architectural and Environmental Review Committee. The Architectural and Environmental Review Committee shall be composed of three (3) or more natural persons designated from time to time by the Board of Directors. The affirmative vote of a majority of the members of the Architectural and Environmental Review Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article. Said Committee may from time to time delegate its ministerial and policing functions to the Managing Agent.

Section 3. Approvals, etc. Upon approval by the Architectural and Environmental Review Committee of any plans and specifications submitted pursuant to the provisions of this

Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within sixty (60) days after such plans and specifications (and all other materials and information required by the Architectural and Environmental Review Committee) have been submitted to it in writing, then approval will not be required and this Article will be deemed to have been fully complied with. Design approval by the Architectural and Environmental Review Committee or by the Board shall in no way be construed as to pass judgment on the correctness of the location, structural design, suitability of water flow or drainage, location of utilities, or other qualities of the item being reviewed. The Board of Directors or the Architectural and Environmental Review Committee shall have the right to charge a reasonable fee for reviewing such application in an amount not to exceed Fifty Dollars (\$50.00). Any such exterior addition to or change or alteration made, without application having first been made and approval obtained as provided above, shall be deemed to be in violation of this covenant and may be required to be restored to the original condition at the Owner's cost and expense.

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

Section 5. Certificate of Compliance. Upon the completion of any construction or alterations or other improvements or structure in accordance with plans and specifications approved by the Architectural and Environmental Review Committee in accordance with the provisions of this Article, the Architectural and Environmental Review Committee shall, at the request of the owners thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration or other improvements referenced

in such certificate have been approved by the Architectural and Environmental Review Committee and constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of the Declaration as may be applicable.

Section 6. Rules and Regulations, etc. The Architectural and Environmental Review Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be suitable for approval and may publish and record such statements of policy, standards, guidelines, and establish such criteria relative to architectural styles or details, fences, colors, set-backs, materials or other matters relative to architectural control and the protection of the environment, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration. The Architectural and Environmental Review Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decisions of the Architectural and Environmental Review Committee shall be final except that any member who is aggrieved by any action or forbearance from action by the Committee (or by any policy, standards or guidelines established by the Committee) may appeal said decision of the Architectural and Environmental Review Committee to the Board of Directors and, upon the request of such member, shall be entitled to a hearing before the Board of Directors of the Association as hereinafter provided.

Section 7. Appeals. Any member dissatisfied with a decision of the Architectural and Environmental Review Committee may, within fifteen (15) days after the rendering of such decision, make an appeal thereof to the Board of Directors. Not less than fifteen (15), nor more than sixty (60), days after the noting of such appeal, the Board of Directors shall conduct a hearing thereon. Within fifteen (15) days of such hearing, the Board of Directors may affirm, reverse, modify or remand the decision appealed. A majority of the Board of Directors shall be required to reverse a decision of the Architectural and Environmental Review Committee. The Board of Directors is hereby authorized and empowered to promulgate reasonable rules of procedure for the conduct of such appeals and hearings. In the event that the Board of Directors, itself, acts in the capacity of the Architectural and Environmental Review Committee, no such right of appeal will lie.

Section 8. Prohibited Uses and Nuisances. Except for the activities of the Declarant during the construction or development of the community, or except with the prior written approval of the Board of Directors of the Association or the Architectural and Environmental Review Committee, or as may be necessary in connection with reasonable and necessary repairs or maintenance to any dwelling or upon the common areas:

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

(b). the maintenance, keeping, boarding or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited on any Lot or within any dwelling, except that this shall not prohibit the keeping of dogs, cats, or caged birds as domestic pets, provided they are not kept, bred or maintained for commercial purposes and, provided further, that such domestic pets are not a source of annoyance to the neighborhood or other members. The Board of Directors or, upon resolution of the Board of Directors, the Architectural and Environmental Review Committee, shall have the authority, after hearing, to determine whether a particular pet is a nuisance or a source of annoyance to other members, and such determination shall be conclusive. Pets shall be attended at all times and shall be \approx as may from time to time be attended at all times and shall be registered, licensed and inoculated as may from time to time be required by law. Pets shall not be permitted upon the common area unless accompanied by a responsible person and unless they are carried or leashed. Each member who walks a pet on the common area is required to clean up any and all solid waste deposited by their pet within that area. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets as it may from time to time consider necessary or appropriate.

(c) no burning of any trash and no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials or trash of any other kind shall be permitted on any Lot.

(d) except as herein elsewhere provided, no junk vehicle, vehicle larger than a 3/4-ton truck and/or with more than two (2) axles and not to exceed four (4) wheels, house trailer, motor home, camper, vehicle with commercial lettering and signs, (not including vehicles of a governmental agency), boat or other similar, machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling and except for such equipment and machinery as the Association may require in connection with the maintenance and operation of the common areas and community facilities) shall be kept upon the property (including streets, driveways, Lots and parking spaces) nor (except in bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. The Association may, in the discretion of the Architectural and Environmental Review Committee, provide and maintain a suitable area designated for the parking of such vehicles or the

like, and may adopt and promulgate such additional rules and regulations in this regard as it deems necessary or desirable.

(e) Trash and garbage containers shall not be permitted to remain in public view, except on days of trash collection. No incinerator shall be kept or maintained upon any *Lot*. Garbage, trash and other refuse shall be placed in covered containers.

(f) No *Lot* shall be divided or subdivided and no portion of any *Lot* (other than the entire *Lot*) shall be transferred or conveyed for any purpose. No portion of any dwelling (other than the entire dwelling) shall be leased. The provisions of this subsection shall not apply to the Declarant and, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, the Declarant or any other person for any purpose.

(g) except for hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, television cable or similar transmission line shall be installed or maintained on any *Lot* above the surface of the ground.

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

(i) no sound hardwood trees in excess of six (6) inches in diameter two (2) feet above the ground shall be removed from any *Lot* without written approval of the Association acting through the Architectural and Environmental Review Committee or duly appointed subcommittee. The Architectural and Environmental Review Committee may from time to time adopt and promulgate such additional rules and regulations regarding the preservation of trees and other natural resources and wildlife as it may consider appropriate.

(j) no structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel, run, stable, outdoor clothes dryer, shed or other building shall be erected, used, or maintained on any *Lot* at any time, without the prior written consent of the Architectural and Environmental Review Committee.

(k) except for entrance signs, directional signs, signs for traffic control or safety, community “theme areas” and such promotional sign or signs as may be maintained by the Declarant or the Association, no signs or advertising devices of any character shall be erected, posted or displayed upon, in, or about any *Lot* or dwelling, provided however, that one sign not exceeding two (2) square feet in area and not illuminated, may be attached to a dwelling where a professional office (as herein elsewhere in this Declaration

defined) is maintained, and provided, further, that one temporary real estate sign not exceeding six (6) square feet in area, may be erected upon any Lot or attached to any dwelling placed upon the market for sale or rent. Any such temporary sign shall be removed promptly following the sale or rental of such dwelling. The provisions and limitations of this subsection shall not apply to any institutional first mortgagee of any Lot who comes into possession of the Lot by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, assignment or deed in lieu of foreclosure.

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

(m) No tree, hedge or other landscape feature shall be planted or maintained in a location which obstructs sight-lines for vehicular traffic on streets and roadways.

(n) No outside television aerial or radio antenna, or other aerial or antennae for either reception or transmission, shall be maintained upon the Property except that such aerials or antennae may be erected and maintained within the dwellings located upon the Property; no satellite dishes shall be allowed.

(o) No member shall make any private or exclusive or proprietary use of any of the common areas except with the specific approval of the Architectural and Environmental Review Committee and, then, only on a temporary basis and no member shall engage or direct any employee of the Association on any private business of the member during the hours such employee is employed by the Association, nor shall any member direct, supervise or in any manner attempt to assert control over any employee of the Association.

(p) No member shall utilize, or cause to be utilized, any material for the repair, replacement or maintenance (collectively "maintenance") of a roof, or any portion thereof, of a dwelling, garage or other structure, that is not in substantial conformity with roofing materials utilized by the Declarant, as of the date of commencement of said maintenance, unless otherwise approved, in writing, by the Architectural and Environmental Review Committee as herein provided.

Section 8. Residential Use. All dwellings shall be used for private residential purposes exclusively, except that a professional office may be maintained in a dwelling, provided that such maintenance and use is limited to the person actually residing in the dwelling and, provided, further, that such maintenance and use is in strict conformity with the provisions of any applicable zoning law, ordinance or regulation. As used in this Section,

the term “professional office” shall mean rooms used for office purposes by a member of any recognized profession, including doctors, dentists, lawyers, architects and the like, but not including medical or dental clinics. Nothing contained in this Article, or elsewhere in this Declaration, shall be construed to prohibit the Declarant from the use of any Lot or dwelling for promotional or display purposes, or as “model homes”, a sales office, or the like.

Section 9. Leasing. Any lease agreement between a Lot Owner and a lessee shall provide that the terms of the lease are subject in all respects to the provisions of this Declaration, and the Articles of Incorporation and By-Laws of the Association, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All such leases shall be in writing and a copy of these shall be filed with the Board of Directors.

Section 10. Fences. Any fence constructed upon the Property shall be substantially similar in design, dimension and material to the fences installed by Declarant, if any, as a part of original construction and shall not extend beyond the front building line of the dwelling on the Lot upon which such fence is erected or the front building line of the dwellings on all immediately adjacent Lots. Chain link and other wire fencing are specifically prohibited. The erection of all fences shall be subject to the provisions of Article VIII of this Declaration.

Section 11. Community Rules, etc. There shall be no violation of any rules for the use of the common areas and community facilities or community rules and regulations not consistent with the provisions of this Declaration which may from time to time be adopted by the Board of Directors of the Association and promulgated among the membership by them in writing, and the Board of Directors is hereby and elsewhere in this Declaration authorized to adopt such rules.

Section 12. Reconstruction after Fire or Other Casualty Loss. In the event any dwelling is partially or completely destroyed by fire or other casualty, and in the absence of a resolution to the contrary by the Board of Directors, the owner of such dwelling shall promptly restore or reconstruct such dwelling, at his own expense, in accordance with the original plans and specifications or with such amended plans and specifications as may be approved in writing by the Board of Directors at the request of such owner. The provisions of this Section shall not apply when prohibited by the first trust holder, the Veterans Administration, FNNA, FHLMC or FHA, or when in conflict with any law, ordinance, municipal regulation or the like.

Section 13. Enforcement — Right to Remove or Correct Violations. In the event any violation or attempted violation of any, of the covenants or restrictions contained in this Article shall occur or be maintained upon any Lot, or in the event of any other conduct in

violation of any of the provisions or requirements of this Article, then the same shall be considered to have been undertaken in violation of this Article and without the approval of the Board of Directors or the Architectural and Environmental Review Committee required herein, and, upon written notice from the Board of Directors or the Architectural and Environmental Review Committee, such violation shall be promptly removed or abated. In the event the same is not removed, or the violation is not otherwise terminated or abated, within fifteen (15) days (or such shorter period as may be required in any such notice) after notice of such violation is delivered to the owner of the Lot upon which such violation exists, or to the member responsible for such violation if the same shall be committed, or attempted on premises other than the Lot owned by such member, then the Association shall have the right, through its agents and employees (but only after a resolution of the Board of Directors or the Architectural and Environmental Review Committee) either to take such action as is provided in Article XIII, Section 3, of this Declaration and/or to enter upon such Lot and to take such steps as may be necessary to remove or otherwise terminate or abate such violation and the costs thereof and reasonable attorneys' fees incurred thereby may be assessed against the Lot upon which such violation occurred and when so assessed, a statement for the amount thereof shall be rendered to the owner of said Lot at which time the assessment shall become due and payable and a continuing lien upon such Lot, and a binding personal obligation of the owner of such Lot, in all respects (and subject to the same limitations) as provided in Articles V, VI and VII of this Declaration. The Association shall have the further right, through its agents, employees or committees, to enter upon and inspect any Lot at any reasonable time for the purpose of ascertaining whether any violation of the provisions of this Article or any of the other provisions or requirements of this Declaration, exist on such Lot; and neither the Association nor any such agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection:

ARTICLE IX

PARTY WALLS AND EASEMENTS

The rights and duties of the Owners of the Townhouse Lots with respect to party walls shall be governed by the following:

Section 1. General Rules of Law to Apply. Each wall which is constructed as a part of the original construction on the Property and any part of which is placed on the dividing line between separate Townhouse Lots, shall constitute a party wall, and to the extent not inconsistent herewith, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions, shall apply thereto.

Section 2. Sharing of Repair and Maintenance and Destruction by Fire or Other Casualty. If any such party wall is damaged or destroyed by fire or other casualty, or by some cause

other than the act of one of the adjoining Owners, his agents, or family (including ordinary wear and tear and deterioration from lapse of time), then, in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good a condition as it was in formerly, in proportion to their respective use of the party wall.

Section 3. Repairs of Damage Caused by One Owner. If any such party wall is damaged or destroyed through the act of one adjoining Owner or any of his agents or guests or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall, then the first of such Owners shall forthwith proceed to rebuild and repair the same to as good a condition as it was in formerly, without cost to the adjoining Owner.

Section 4. Other Changes. In addition to meeting the other requirements of these restrictive covenants, and of any building code or similar regulations or ordinances, any Owner proposing to modify, make addition(s) to or rebuild his residence in any manner which requires the extension or other alteration of any party wall, shall first obtain the written consent of the adjoining Owner.

Section 5. Right to Contribution Runs with Land. The right of any owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Dispute. In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall, or with respect to the sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to its Board of Directors, who shall decide the dispute, and the decision of such Board of Directors shall be final and conclusive upon the parties.

Section 7. Easement for Installation of Post Lamps. There shall be and is hereby reserved to the Declarant a perpetual and nonexclusive easement to install a post lamp on any Lot at any time, such easement to include, but not be limited to, the right to install, relocate and maintain all necessary underground wire and/or leads into any living unit situate upon the Property.

Section 8. Easement for Landscaping and Related Purposes. There shall be and is hereby reserved to the Declarant a perpetual and nonexclusive easement over all Lots, or any Common Area or Community Facility, for a distance of ten feet (10') behind any Lot line which parallels a street (whether public or private) for the purpose of erecting street intersection signs, lights, stone or masonry wall features and/or related landscaping.

Section 9. Encroachments. If any portion of a party wall shall encroach upon an adjoining Townhouse Lot, by reason of settlement or shifting of any building, or otherwise, a valid

easement for the encroachment and for the maintenance of the same as long as the building stands, shall exist.

Section 10. Easements. Each Townhouse Lot and dwelling shall be subject to easements to the benefit of the Owners of the adjoining and abutting Lots and dwellings for the unobstructed and uninterrupted use of any and all pipes, ducts, flues, chutes, conduits, cables and wire outlets and utility lines of any kind, to easements for lateral support of adjoining and abutting dwellings, and to easements for the leadwalks and sidewalks serving adjoining and abutting dwellings.

ARTICLE X

JOINT DRIVEWAYS

Section 1. Joint Driveways. Any driveway which is built or installed as part of the original construction upon the Property and which is situated on the dividing line between Lots or partly on one Lot and partly on another Lot or other Lots, shall constitute a joint driveway for the equal and common use and benefit of the Owners of any Lots or other portions of the Property which it is reasonably designed to serve, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding joint driveways and of liability for property damage due to negligent or willful acts or omissions regarding the same shall apply thereto.

Section 2. Repair and Maintenance. The cost of reasonable repair and maintenance of any joint driveways shall be shared by the Owners who make use of the same, in equal shares.

Section 3. Damage and Destruction. In the event any joint driveway is destroyed or damaged, any Owner who has used the same may restore it, and if the other Owners thereafter make use of the same, they shall contribute to the cost of restoration thereof in equal proportions; without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Easements. There shall be a perpetual and nonexclusive easement, in, through and over any such joint driveway reserved to the Owners of any Lot or Lots upon which the same has been built or installed or which the same has reasonably been designed to serve and no person shall in any way interfere with the free and unobstructed use thereof by said Owners.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE XI

MANAGEMENT

Section 1. Management Agent. The Board of Directors may employ for the Association a professional management agent or manager (the “Management Agent”) at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. The Management Agent shall perform such duties and services as the Board of Directors shall authorize in writing, including without limitation:

(a) to establish (with the approval of the Board of Directors of the Association) and provide for the collection of the annual maintenance assessments, the annual Townhouse maintenance assessments and any other assessments provided for in this Declaration and to provide for the enforcement of liens therefore in a manner consistent with law and the provisions of this Declaration; and

(b) To provide for the care, upkeep, maintenance and surveillance of the common areas and community facilities; and

(C) to designate, hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the common areas and community facilities; and

(d) to promulgate (with the approval of the Board of Directors of the Association) and enforce such rules and regulations and such restrictions or requirements, “house rules” or the like as may be deemed proper respecting the use of the common areas and community facilities; and

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

Section 2. Duration of Management Agreement. Any management agreement entered into by the Association shall provide, *inter alia*, that such agreement may be terminated, with or without cause and without the payment of any termination fee, by either party upon thirty (30) days’ written notice thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one—year periods.

Section 3. Limitation of Liability. The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the common areas or community facilities, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any member for loss or damage, by theft or otherwise, of articles which may be stored upon the common areas or community facilities. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common areas or community facilities, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

Section 4. Self-Management. If the standards and regulations of FNNA and/or FHLMC prohibit self-management by the Association and FNMA and/or FHLMC holds an interest in a first mortgage or deed of trust against any of the Lots, then no such self-management shall be undertaken by the Association, without the prior written consent and approval of all of the holders of the first mortgages of record on the Lots.

Provided that any Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is insured by the Federal Housing Administration or guaranteed by the Veterans' Administration, and, provided further, that FI-LA and/or VA standards and regulations prohibit self-management of the Association, then no such self-management shall be undertaken by the Association without the prior written consent and approval of FHA or VA, as the circumstances may require.

ARTICLE XII

EASEMENTS

Section 1. Reservation of Easement Rights by the Declarant.

(a) The Declarant hereby reserves a non-exclusive easement and right-of-way in, through, over and across the common areas and community facilities for the purpose of the storage of building supplies and materials, and in, through, over and across the common areas, community facilities and Lots for the installation, construction, maintenance, reconstruction and repair of sanitary sewer lines, facilities, storm drains and appurtenances to any of the same, and for all other purposes reasonably related to the completion of construction, the achievement of uniform grading on adjoining *Lots*, the furnishing of required warranty service, the development of the project, the provision of

utility services, and related services and facilities, whether public or private, to the land and premises described on Exhibits B, C, D, E and F attached hereto. Any and all grants made by the Declarant to the Association with respect to any of the common areas and community facilities and to each member with respect to a Lot shall be conclusively deemed to incorporate this reservation, whether or not specifically set forth in such instruments. At the request in writing of the Declarant, the Association shall from time to time execute, acknowledge and deliver to the Declarant such further assurances of this reservation as may be necessary.

(b) The Declarant hereby reserves the absolute right to grant easements and rights-of-way, both temporary and permanent, over the common areas and community facilities to any and all governmental or quasi-governmental authorities and to any and all public utilities including, without limitation, Montgomery County, Maryland, the Maryland-National Capital Park & Planning Commission, the Washington Suburban Sanitary Commission, the Potomac Electric Power Company, the Washington Gas Light Company and the Chesapeake & Potomac Telephone Company of Maryland.

Section 2. Easements for Utilities and Related Purposes. The Association is authorized and empowered to grant (and shall from time to time grant) such other licenses, easements and rights-of-way over the common areas and community facilities for sewer lines, water lines, electrical cables, telephone cables, television cables, gas drains, cables, underground conduits and such other purposes related to the provision of utility and similar services to the land and premises described on Exhibits B, C, D, E and F attached to this Declaration as may be considered necessary and appropriate by the Board of Directors of the Association or by the Declarant to ensure the orderly maintenance, preservation and enjoyment of the common areas and community facilities and for the preservation of the health, safety, convenience and welfare of the members of the Association.

Section 3. Easement to Montgomery County, Maryland. The Declarant hereby grants to Montgomery County, Maryland, a municipal body corporate, its agents and contractors, a non-exclusive easement and right-of-way in, through, over and across the common areas and community facilities for all purposes reasonably associated with the inspection, operation, installation, construction, reconstruction, maintenance or repair of any storm water management facilities constructed upon the Property; and in the event that, after reasonable notice to the Association by Montgomery county, Maryland, the Association shall fail to maintain any storm water management facility constructed upon the Property in accordance with applicable law and regulations, then Montgomery County, Maryland, may do and perform all necessary repair maintenance work and may assess the Association for the cost of the work and any applicable penalties.

The Association shall indemnify and save Montgomery County, Maryland,

harmless from any and all claims or damages to persons or property arising in connection with the installation, construction, maintenance, repair, operation or use of any storm water management facility constructed upon the Property.

Section 4. Parking and Sidewalk Easements. There is hereby established for the benefit of the owners of the several Townhouse Lots a perpetual and non-exclusive easement and right-of-way for pedestrian and vehicular ingress, egress and regress, and for the parking of motor vehicles, in, through, over and across the Private Streets and Roadways and in, through, over and across any sidewalks and leadwalks constructed upon the common areas and community facilities or the Townhouse Lots. Any grant of a Townhouse Lot made by the Declarant shall be conclusively deemed to incorporate this easement and right-of-way, whether or not specifically set forth in such grant. At the request in writing of either the Declarant or the Association, the owner of any Townhouse Lot shall, from time to time, execute, acknowledge and deliver such other and further assurances of this easement and right—of—way as may be necessary.

Section 5. Existing Utilities. The rights and duties with respect to previously installed sanitary sewer and water, cable television, electricity, gas and telephone lines and facilities shall be governed by the following:

(a) Whenever water, sanitary sewer, electricity, gas, cable television or telephone connections, lines, cables or any portion thereof, are or have been installed within the Property, the Owner of any Lot, or the Association shall have the right, and are hereby granted an easement to the extent necessary therefore, to enter upon or have a utility company enter upon any portion of the Property in which said installation lies, to repair, replace and generally maintain said installations.

(b) The right granted in subparagraph (a), above, shall be only to the extent necessary to entitle the Owner or Association served by said installation to its full and reasonable use and enjoyment, and provided, further, that anyone exercising said right shall be responsible for restoring the surface of the easement area so used to its condition prior to such use.

(c) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to its Board of Directors, who shall decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

ARTICLE XIII

EXTERIOR MAINTENANCE

Section 1. Duty to Maintain. Each Owner shall keep each Lot owned by him, and all improvements therein or thereon, in good order and repair and free of debris, including, but not limited to, the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management. In the event an Owner of any Lot in the Property shall fail to maintain the Lot and the improvements situated thereon, as provided in this Declaration and in the By-Laws, the Board of Directors may appoint someone to enter upon said Lot to correct drainage and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon. All costs related to such correction, repair or restoration shall become a lien upon such Lot, and such lien may be enforced in the same manner as an annual assessment levied in accordance with Article V hereof. Any such lien shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect such lien. However, the sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure or any proceeding or act in lieu thereof, shall extinguish any such lien as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. 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 amendment unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

Section 2. Easement for Exterior Maintenance. If any dwelling is situated on or near a Lot line such that proper exterior maintenance and repair of the dwelling cannot reasonably be accomplished exclusively on such Owner's Lot, then that Owner shall have an easement over that portion of the adjoining Lot as is reasonably necessary for such exterior maintenance and repair, including, but not limited to, painting, cleaning and washing and repairing windows.

ARTICLE XIV

GENERAL PROVISIONS

Section 1. Amendments. The covenants and restrictions of this Declaration shall run and abide with the land, for a term of twenty (20) years from the date this Declaration is rendered, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 2. Duration. Unless amended in accordance with the provisions of Section 1 of this Article and the other requirements of this Declaration, and except where permanent easements or other permanent rights or interests are herein created, 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 Association, or the owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for the term provided above.

Section 3. Construction and Enforcement. The provisions hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of the community. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenants or restriction, either to restrain or enjoin violation or to recover damages or both, and against any Lot to enforce the lien created hereby; and the failure or forbearance by the Association or the owner of any Lot 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 enforced, without limitation, by the Association, by any owner or any mortgagee of any Lot which becomes subject to the provisions hereof and by any other person, firm, corporation or other legal entity who has any right to the use of any of the common areas and community facilities owned by the Association.

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

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

Section 5. Incorporation by Reference on Resale. In the event any owner sells or otherwise transfers any Lot, any deed purporting to effect such transfer shall contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration.

Section 6. Notices. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postage prepaid, to the last known address of the person who appears as

member or owner on the records of the Association at the time of such mailing.

Section 7. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any common areas or community facility by any public or municipal agency, authority or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the common areas or community facilities.

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

Section 9. Consents. Any other provision of this Declaration to the contrary notwithstanding, neither the members, the Board of Directors nor the Association shall, by act or omission, take any of the following actions without the prior written consent and approval of the holders of at least two-thirds (2/3) of the first mortgages of record on the Lots:

(a) abandon, partition, subdivide, encumber, sell or transfer any of the common areas and community facilities; provided, however, that the granting of rights-of-way, easements and the like for public utilities and cable television or for other purposes consistent with the use of the common areas and community facilities by the members of the Association shall not be considered a transfer within the meaning of this Section; or

(b) Abandon or terminate this Declaration; or

(c) Modify the method of determining and collecting common expense assessments or other assessments as provided for in this Declaration; or

(d) Resolve to use the proceeds of casualty insurance for any purpose other than the repair, replacement or reconstruction of the common areas and community facilities; or

(e) Modify or amend any material or substantive provision of this Declaration or the By-Laws of the Association.

Section 10. Consent of Veterans Administration. Provided that any Lot in the project is then encumbered by a deed of trust or mortgage which is guaranteed by the Veterans Administration and, provided further, that there are then Class B memberships of the Association outstanding, neither the members, the Board of Directors nor the Association shall, by act or omission, take any of the following actions without the prior written consent and approval of the Veterans Administration:

(a) abandon, partition, subdivide, encumber, sell or transfer any of the common areas and community facilities; provided, however, that the granting of rights-of-way, easements and the like for public utilities and cable television or for other purposes consistent with the use of the common areas and community facilities by the members of the Association shall not be considered a transfer within the meaning of this Section; or

(b) Abandon or terminate this Declaration; or

(c) Modify or amend any material or substantive provision of this Declaration or the By-Laws of the Association.

Section 11. Rights of Maryland-National Capital Park & Planning Commission. Any other provision of this Declaration to the contrary notwithstanding, neither the members, the Board of Directors nor the Association shall, by act or omission, take any of the following actions without the prior written consent and approval of the Maryland-National Capital Park & Planning Commission, which consent shall not be unreasonably withheld or delayed.

(a) abandon, partition, dedicate, subdivide, encumber, sell or transfer any of the common areas and community facilities; provided, however, that the granting of rights-of-way, easements and the like for public utilities and cable television or for other purposes consistent with the use of the common areas and community facilities by the members of the Association shall not be considered a transfer within the meaning of this Section; or

(b) Abandon or terminate this Declaration; or

(c) Modify the method of determining and collecting common expense assessments or other assessments as provided for in this Declaration; or

(d) merge or consolidate the Association with any other entity or sell, lease, exchange or otherwise transfer all or substantially all of the assets of the Association; or

(e) Modify or amend any material or substantive provision of this Declaration, Articles of Incorporation or the By-Laws of the Association.

The Maryland-National Capital Park & Planning Commission shall have the right to bring an action against the Association for any legal or equitable relief necessary to enforce any of the rights or powers granted to the Maryland-National Capital Park & Planning Commission in this Section.

Section 12. Additional Rights of Mortgagees — Notice. No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to this Declaration except after ten (10) days' written notice to the holder of the first mortgage on the Lot which is the subject matter of such suit or proceeding, provided such mortgagee has furnished the Association with its name, address and the addresses of those Lots in which it has a security interest.

Any institutional first mortgagee of any Lot upon the Property may pay any taxes, utility charges or other charge levied against the common areas and community facilities which are in default and which may or have become a charge or lien against any of the common areas and community facilities and any such institutional first mortgagee may pay any overdue premiums on any hazard insurance policy or secure new hazard insurance coverage on the lapse of any policy, with respect to the common areas and community facilities. Any first mortgagee who advances any such payment shall be due immediate reimbursement of the amount so advanced from the Association.

Section 13. Changes Required by Lenders or Government Agencies. Notwithstanding any provision to the contrary contained in the Articles of Incorporation or By-Laws of the Association or this Declaration, the Declarant shall have and hereby reserves the right to make modifications, additions or deletions to the Declaration, the Articles of Incorporation and the By—Laws of the Association if such modifications, additions or deletions are required by VA, FHA, FHLMC, FNMA or a government agency. The Declarant further reserves the right to waive in writing any exemption, right or privilege granted or reserved to the Declarant by this Declaration or the Articles of Incorporation or the By-Laws of the Association.

Section 14. Casualty Losses. In the event of substantial damage or destruction to any of the common areas and community facilities, the Board of Directors of the Association shall give prompt written notice of such damage or destruction to the holders of all first mortgages of record on the Lots. No provision of this Declaration or the By-Laws of the Association shall entitle any member to any priority over the holder of any first mortgage of record on his Lot with respect to the distribution to such member of any insurance proceeds paid or payable on account of any damage or destruction of any of the common areas or community facilities.

Section 15. Taxes and Assessments. It is the intent of this Declaration that inasmuch as the interests of each Owner to use and enjoy the Common Area is an interest in real property appurtenant to each Lot, the value of the interest of each owner in such Common Area shall be included in the assessment for each such Lot and as a result, any assessment directly against such Common Area should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various Lots.

Section 16. Condemnation or Eminent Domain. In the event any part of the common areas and community facilities is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board of Directors of the Association shall give prompt written notice of any such proceeding or proposed acquisition to the holders of all first mortgages of record on the Lots. No provision of this Declaration or the By-Laws of the Association shall entitle any member to any priority over the holder of any first mortgage of record on his Lot with respect to the distribution to such member of the proceeds of any condemnation or settlement relating to a taking of any of the common areas and community facilities.

Section 17. Captions and Gender. The captions contained in this Declaration are for convenience only and are not a part of this Declaration 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 shall include all genders and the singular shall include the plural.

IN WITNESS WHEREOF, NVLand, Inc., a Virginia corporation, has caused these presents to be executed in its corporate name by David D. Flanagan, its Vice President, on the year and day first above written.

WITNESS/ATTEST:

NVLAND INC.

David D. Flanagan
Vice President

STATE OF: Virginia
COUNTY OF: Fairfax

I HEREBY CERTIFY that on the 25th day of July 1989, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction David D. Flanagan, personally well known to me (or satisfactorily proven) to be the Vice President of NVLand, Inc., a Virginia corporation, and acknowledged that, having authority so to do, he executed the same as the act and deed of said NVLand, Inc., for the purposes therein contained and delivered the same as such.

WITNESS my hand and Notarial seal the year and day first above written

ATTORNEY'S CERTIFICATE

This is to certify that the undersigned is a member in good standing of the Bar of the Court of Appeals of Maryland and that the within instrument was prepared by her or under her supervision.

Donna M. McMillan