

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

THE BROWNSTONES AT PARK POTOMAC

made by

FP HOMES ASSOCIATES LIMITED PARTNERSHIP

a Maryland limited partnership

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) MQR 31059, p. 0548, MSA_CE63_31016. Date available 10/28/2005. Printed 12/10/2019.

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TABLE OF CONTENTS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

ARTICLE I DEFINITIONS	2
Section 1. "Annual Assessments"	2
Section 2. "Approval"	2
Section 3. "Architectural Review Board"	2
Section 4. "Articles of Incorporation"	3
Section 5. "Association"	3
Section 6. "Board of Directors" or "Directors"	3
Section 7. "Bylaws"	3
Section 8. "Cheek Walls"	3
Section 9. "Commercial Developer"	3
Section 10. "Commercial Property"	3
Section 11. "Commission"	3
Section 12. "Common Areas"	3
Section 13. "Common Expenses"	4
Section 14. "Condominium I Association"	4
Section 15. "Condominium II Association"	4
Section 16. "Condominium Developer"	4
Section 17. "Condominium Property"	4
Section 18. "Conservation Easement Areas"	5
Section 19. "Control Period"	5
Section 20. "County"	5
Section 21. "Declarant"	5
Section 22. "Declaration"	5
Section 23. "Easement and Cost-Sharing Agreement"	5
Section 24. "Eligible Mortgage Holder"	5
Section 25. "Entrance Features"	5
Section 26. "Federal Mortgage Agencies"	6
Section 27. "First Mortgage"	6
Section 28. "First Mortgagee"	6
Section 29. "Governing Documents"	6
Section 30. "Governmental Authority" or "Governmental Authorities"	6
Section 31. "Green Space"	6
Section 32. "Green Space Landscaping"	6
Section 33. "Institutional Mortgagee" or "Institutional Holder"	6
Section 34. "Laws"	6
Section 35. "Living Unit"	7
Section 36. "Lot"	7
Section 37. "Maintenance"	7
Section 38. "Maintenance Standards"	7
Section 39. "Management Agent"	7
Section 40. "Master Association"	7
Section 41. "Master Common Areas"	8

Section 42. "Master Declarant"8
 Section 43. "Master Declaration"8
 Section 44. "Master Park Potomac Governing Documents"8
 Section 45. "Master Storm Water Management Facilities"8
 Section 46. "Master Tot Lot"8
 Section 47. "Members"8
 Section 48. "Mortgagee"8
 Section 49. "MPDU"8
 Section 50. "MPDU Covenants"8
 Section 51. "Neighborhood Park"8
 Section 52. "Neighborhood Tot Lot"9
 Section 53. "Notice"9
 Section 54. "Occupant"9
 Section 55. "Owner"9
 Section 56. "Park Potomac"9
 Section 57. "Park Potomac Architectural Guidelines"9
 Section 58. "Planning Board"9
 Section 59. "Property"9
 Section 60. "Public Roads"9
 Section 61. "Public Road Landscaping"10
 Section 62. "Quorum of Members"10
 Section 63. "Record Plat"10
 Section 64. "Recreational Amenities"10
 Section 65. "Recreational Amenities Plan"10
 Section 66. "Registered Notice"10
 Section 67. "Regulatory Plans"10
 Section 68. "Retaining Walls"11
 Section 69. "Rules"11
 Section 70. "Screening Walls"11
 Section 71. "Shared Private Road"11
 Section 72. "Shared Private Road Side Improvements"11
 Section 73. "Shared Recreational Facilities"11
 Section 74. "Single Family"11
 Section 75. "Special Assessments"11
 Section 76. "Storm Water Facilities"11
 Section 77. "Supplementary Declaration"12
 Section 78. "Swimming Pool and Clubhouse"12
 Section 79. "Townhouse Landscaping"12
 Section 80. "Trails"12
 Section 81. "Transit Center"12
ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION.....12
AND ADDITIONS THERETO12
 Section 1. The Property.....12
 Section 2. Additions to The Property.....12
 Section 3. Withdrawable Real Estate.13
 Section 4. Merger.....14

ARTICLE III THE ASSOCIATION14

Section 1. Organization.....14

Section 2. Membership.....14

 (a) **Basis**.....14

 (b) **Member's Rights and Duties**.....15

 (c) **Voting Rights**.....15

 (d) **Exercise of Vote**.....15

Section 3. Board of Directors.....16

 (a) **Composition**.....16

 (b) **Extent of Power**.....16

 (c) **Powers and Duties**.....16

Section 4. The Architectural Review Board.....19

 (a) **Composition**.....19

 (b) **Powers and Duties**.....19

 (c) **Failure to Act**.....20

 (d) **Appeal**.....21

 (e) **Limitations**.....21

 (f) **Approvals**.....21

Section 5. Fidelity Bonds.....22

Section 6. Association Insurance.....22

 (a) **Hazard Insurance**.....22

 (b) **Flood Insurance**.....23

 (c) **Liability Insurance**.....23

 (d) **Errors and Omissions Insurance**.....24

 (e) **Other Insurance; Premiums**.....24

Section 7. Individual Insurance.....24

ARTICLE IV ASSOCIATION MAINTENANCE OBLIGATIONS; COMMON AREAS .25

Section 1. Maintenance Obligations of the Association25

 (a) **Common Areas**.....25

 (b) **Maintenance Standards; Perpetual Obligation**.....25

Section 2. Specific Maintenance Obligations.....25

 (a) **Maintenance of Streets and Other Surfaces**.....25

 (b) **Retaining Walls; Cheek Walls; Screening Walls**.....26

 (c) **Landscape Maintenance**.....26

 (d) **Snow Removal; Steps, Stoops and Leadwalks**.....27

 (e) **Recreational Amenities**.....27

 (f) **Shared Mailboxes**.....27

 (g) **Third Party Agreements**.....27

Section 3. Maintenance Expenses.....28

Section 4. Easement for Maintenance; No Obstructions.....28

Section 5. Personnel to Provide Maintenance Services.....28

Section 6. Easement of Enjoyment.....28

Section 7. Extent of Members' Easement.....28

Section 8. Limitations.....30

Section 9. Delegation of Use.....31

Section 10. Title to Common Areas.....31

Section 11.	Repair and Reconstruction of Common Areas After Fire or Other Casualty.	31
Section 12.	No Dedication to Public Use.....	31
ARTICLE V COVENANT FOR ASSESSMENTS		32
Section 1.	Creation of the Lien and Personal Obligation of Assessments.....	32
Section 2.	Method of Assessment.	32
Section 3.	Annual Assessments.....	32
	(a) Purpose.....	32
	(b) Basis for Assessment.	34
	(c) Rate of Assessment; Initial Maximum Annual Assessment.	35
	(d) Association Budget; Method of Assessment.	36
	(e) Reserve Fund Budget and Contribution.....	38
	(f) Notice of Meeting and Quorum.	39
	(g) Date of Commencement of Annual Assessments.	39
	(h) Payment of Annual Assessments.	39
	(i) No Waiver.	39
	(j) Surplus and Deficit.	39
Section 4.	Special Assessments.	40
	(a) Capital Improvement Assessment.	40
	(b) Restoration Assessment.....	40
	(c) Utility Assessments.....	40
	(d) Master Association Special Assessments.	41
Section 5.	Effect of Nonpayment of Assessments; Remedies of the Association.	41
	(a) Notice of Default; Interest; Late Charges; Remedies.....	41
	(b) Acceleration of Installments.....	41
	(c) Actions Against Owners.	41
	(d) Priority of Lien; Subordination of the Lien to First Mortgages.	41
	(e) Additional Default.....	42
	(f) Remedies Cumulative.	42
	(g) Collection Costs.....	42
	(h) Prepayment.....	42
	(i) Assessment Certificates.	43
Section 6.	Exempt Property.....	43
Section 7.	Working Capital Fund.	43
ARTICLE VI USE OF PROPERTY		43
Section 1.	Permitted Uses.....	43
	(a) Living Units.	43
	(b) Garages.	44
	(c) Exemption for Declarant.....	44
Section 2.	Protective Covenants.	44
	(a) Nuisances; Noise.....	44
	(b) Restriction on Further Subdivision.....	45
	(c) Leasing.	45

(d) Conditions for Architectural Control46

(e) Fences; Walls.....46

(f) Parking.....47

(g) Pets.48

(h) Refuse.....48

(i) Temporary Structures; Clothes Lines.48

(j) Outdoor Antennas.....49

(k) Landscaping; Utility Lines.49

(l) Signs.50

(m) Compliance with Laws.50

(n) Obstructions.50

(o) House Numbers.51

(p) Mailboxes.51

(q) Walls.....51

(r) Rooftop Terraces.....51

(s) Third Party Agreements.....51

(t) Notice of Sale, Conveyance or Transfer.....51

(u) Wells.51

(v) Rules.51

(w) Exceptions.....52

Section 3. Maintenance of Property.....52

(a) Owner Obligation.....52

(b) Failure to Maintain Right to Remove or Correct
Violations.54

(c) Enforcement; Fines.....54

(d) Assignment of Insurance Proceeds.....55

Section 4. Party Walls.56

(a) General Rules of Law to Apply.....56

(b) Sharing of Repair and Maintenance and Destruction by
Fire or Other Casualty.56

(c) Damage Caused by One Owner.....56

(d) Damage by Exposure.57

(e) Other Changes.....57

(f) Right to Contribution Runs with the Land.57

(g) Easement.....57

(h) Dispute.57

Section 5. Maintenance by Association.....57

Section 6. Resale of Lots.....57

(a) Reference to Declaration.58

(b) Notification.58

(c) Statement of Assessments.....58

ARTICLE VII EASEMENTS.....58

Section 1. Utility Easements.58

(a) Installation and Operation of Utilities.58

(b) Maintenance of Utilities.....58

(c) Reservation of Right to Grant Utilities Easements.....59

	(d) Master Service Panels for Utilities.	59
	(e) Limitation.	59
Section 2.	Easements for Drainage.	59
	(a) Easement for Drainage.	59
	(b) Reservation of Right to Correct Drainage.	59
Section 3.	Construction Easements and Rights.	60
Section 4.	Easement to Inspect and Maintain.	61
Section 5.	Easement for Maintenance.	61
Section 6.	Easement for Governmental Personnel.	61
Section 7.	Easement for Landscaping, Signs, and Related Purposes.	61
Section 8.	Buffer Easement.	62
Section 9.	Access Easements.	62
	(a) Easements for Use of the Shared Private Road.	62
	(b) Public Roads.	62
	(c) General Easement.	62
	(d) Mailboxes.	62
Section 10.	Easement for Emergency Access.	62
Section 11.	Easements for Support, Encroachments, Enclosed Areas.	63
	(a) Easements of Support.	63
	(b) Easements for Encroachments.	63
	(c) Easements for Use of Enclosed Areas.	63
	(d) Mutual Easements for Utilities.	64
Section 12.	Reservation of Right to Grant Easements and Dedicate Rights-of-Way.	64
Section 13.	Association Easements.	64
Section 14.	Reservation of Right to Modify Plans.	64
Section 15.	Park Potomac Governing Documents.	64
Section 16.	Easement to Montgomery County, Maryland.	64
ARTICLE VIII RIGHTS OF MORTGAGEES AND PUBLIC AGENCIES.		65
Section 1.	Consents.	65
	(a) Abandon, Partition, Encumbrance of Common Areas.	65
	(b) Failure to Maintain Insurance.	65
	(c) Misappropriation of Insurance Proceeds.	65
	(d) Amendments to Declaration.	65
Section 2.	Notice and Other Rights.	66
	(a) Condemnation or Casualty.	66
	(b) Assessment Delinquency.	66
	(c) Modification of Cancellation of Insurance Policies.	67
	(d) Other Matters.	67
Section 3.	Payment of Taxes and Charges.	67
Section 4.	Casualty Losses.	67
Section 5.	Condemnation or Eminent Domain.	67
Section 6.	Collection of Assessments.	67
Section 7.	Approvals.	67
ARTICLE IX MANAGEMENT.		68
Section 1.	Management Agent.	68

(a) Collection of Assessments.....68
 (b) Maintenance.....68
 (c) Personnel.....68
 (d) Rules.....68
 (e) Other Services.....68
 Section 2. Term of Management Agreement.....68
**ARTICLE X COVENANT IN FAVOR OF THE MARYLAND NATIONAL CAPITAL
 PARK AND PLANNING COMMISSION.....69**
 (a) Annexation.....69
 (b) Abandonment or Transfer of Common Areas.....69
 (c) Abandonment or Termination of Declaration.....69
 (d) Amendment of Governing Documents.....69
 (e) Merger or Consolidation.....69
 (f) Assessments.....69
ARTICLE XI GENERAL PROVISIONS.....69
 Section 1. Duration.....69
 Section 2. Amendment.....70
 Section 3. Changes and Modifications by the Declarant.....70
 Section 4. Enforcement.....71
 Section 5. Certain Rights of the Declarant.....71
 (a) Discrimination.....71
 (b) Definitions.....71
 (c) Annexation.....71
 (d) Membership Rights.....71
 (e) Agreements with Governmental Authorities.....71
 (f) Conveyance of Common Areas.....71
 (g) Design Controls.....71
 (h) Assessments.....71
 (i) Protective Covenants.....71
 (j) Directors.....72
 (k) Declarant's Rights.....72
 Section 6. Implied Rights of the Association.....72
 Section 7. Declarant's Power of Attorney.....72
 (a) Consent by Other Parties.....72
 (b) Required Consent.....72
 (c) Power of Attorney Coupled with an Interest.....73
 Section 8. Successors of Declarant.....73
 Section 9. Limitation of Liability.....73
 Section 10. Litigation.....73
 Section 11. Limitations.....73
 Section 12. Severability.....73
 Section 13. Conflict.....74
 Section 14. Interpretation.....74
 Section 15. Taxes and Assessments.....74
 Section 16. Perpetuities.....74
ARTICLE XII DISSOLUTION OF THE ASSOCIATION.....74

EXHIBITS

- Exhibit A - Legal Description of Real Property
- Exhibit B - Recreational Amenities Plan [Neighborhood
Tot Lot, Neighborhood Park, Swimming Pool and Clubhouse]
- Exhibit C - Common Area Attached Lights

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE BROWNSTONES AT PARK POTOMAC**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE BROWNSTONES AT PARK POTOMAC ("Declaration") is made effective for all intents and purposes as of the ____ day of _____, 20____, by **FP HOMES ASSOCIATES LIMITED PARTNERSHIP**, a Maryland limited partnership (hereinafter the "**Declarant**"), and **THE BROWNSTONES AT PARK POTOMAC HOMEOWNERS ASSOCIATION, INC.**, a Maryland corporation (hereinafter the "**Association**").

WITNESSETH:

WHEREAS, the Declarant is the owner of real property located in Montgomery County, Maryland, as more particularly described on Exhibit A which is attached hereto and incorporated herein by reference; and

WHEREAS, the Declarant desires to create on the Property (as hereinafter defined) a residential community with permanent open spaces and other common facilities for the benefit of the community, including, but not limited to, certain private streets and such other areas as may be subjected to this Declaration of Covenants, Conditions and Restrictions; and

WHEREAS, in order to provide for the preservation and enhancement of the property values, amenities, and opportunities in the community which will contribute to the personal and general health, safety, and welfare of residents and for the maintenance of the land and improvements thereon, the Declarant desires to subject the property described in Article II hereof to the covenants, restrictions, conditions, easements, charges, and liens of this Declaration of Covenants, Conditions and Restrictions, said covenants, restrictions, easements, conditions, and charges running with said Property and binding all persons or entities having or acquiring any right, title, or interest in the Property or any part thereof, and inuring to the benefit of each owner thereof; and

WHEREAS, to provide a means for meeting the purposes and intents herein set forth, the Declarant has incorporated the Association as a non-stock, non-profit corporation under the laws of the State of Maryland; and

WHEREAS, the Property is a portion of the real property subjected to a Master Declaration for Covenants, Conditions and Restrictions for Park Potomac recorded November 16, 2004 in Liber 28678 at folio 001 among the Land Records of Montgomery County, Maryland.

NOW, THEREFORE, the Declarant does hereby grant, establish, and convey to each Owner mutual non-exclusive rights, privileges, and easements of enjoyment on equal terms in common with all other Owners in and to the use of the Common Areas (as hereinafter defined) and facilities; and does hereby declare the Property to be held, transferred, sold, conveyed,

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encumbered, leased, rented, used, occupied and improved subject to the covenants, restrictions, easements, conditions, charges, and liens (hereinafter referred to as "**Covenants and Restrictions**") hereinafter set forth, which are for the purpose of protecting the value and desirability of, and shall run with, the real property and be binding on all parties having any right, title, or interest in the herein described real property or any portions thereof, and any other real property annexed within the jurisdiction of the Association in accordance with Article II hereof, their heirs, personal representatives, successors, transferees and assigns, and shall inure to the benefit of, and be enforceable by, the Declarant, its successors and assigns, any persons 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.

AND FURTHER, the Declarant hereby delegates and assigns to the Association the powers of owning, maintaining, and administering the Common Areas, administering and enforcing the Covenants and Restrictions, collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, health, safety, and welfare of the residents.

ARTICLE I

DEFINITIONS

Unless the context clearly indicates to the contrary, the terms listed below shall be construed in accordance with the following definitions:

Section 1. "**Agreement for Supervised Fire System**" shall mean and refer to the agreement entered into by and between the Alarm Monitoring Company and WSSC for the provision of a Supervised Fire System .

Section 2. "**Alarm Monitoring Company**" shall mean and refer to the monitoring company or companies providing monitoring services for the security systems in the Living Units,

Section 3. "**Alarm Monitoring Contract**" shall mean and refer to the contract entered into by the Association with the Alarm Monitoring Company for purposes of providing monitoring services for the security systems in the Living Units.

Section 4. "**Annual Assessments**" shall mean and refer to the assessments to be levied against Lots and collected and disbursed by the Association pursuant to Article V, Section 3 of this Declaration

Section 5. "**Approval**" shall mean and refer to the issuance by any public agency of written approval, or any written waiver of approval rights, or a formal letter stating "No objection."

Section 6. "**Architectural Review Board**" shall mean and refer to the architectural review board of the Association for the Property.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) MQR 31059, p. 0558, MSA_CE63_31016. Date available 10/28/2005. Printed 12/10/2019.

Section 7. "**Articles of Incorporation**" shall mean and refer to the Articles of Incorporation for The Brownstones at Park Potomac Homeowners Association, Inc., filed with the Maryland State Department of Assessments and Taxation, as amended from time to time.

Section 8. "**Association**" shall mean and refer to The Brownstones at Park Potomac Homeowners Association, Inc., a Maryland non-stock, non-profit corporation, its successors and assigns.

Section 9. "**Board of Directors**" or "**Directors**" means the executive and administrative entity established by the Articles of Incorporation of the Association as the governing body of the Association.

Section 10. "**Bylaws**" shall mean and refer to the Bylaws of the Association, as amended from time to time.

Section 11. "**Cheek Walls**" shall mean and refer to the cheek walls located between Lots 9 and 10, between Lots 60 and 61, and on Lot 66.

Section 12. "**Commercial Developer**" shall mean and refer to Fortune Parc Development Partners, LLC, a Maryland limited liability company, the owner of the Commercial Property, its successors and assigns. The Commercial Developer is not in any way related to the Declarant.

Section 13. "**Commercial Property**" shall mean and refer to that portion of Park Potomac located east of Park Potomac Avenue which is, based upon the Regulatory Plans which exist as of the date of this Declaration, intended for office and other commercial development. The Declarant does not own or control the Commercial Property and makes no representation or warranty concerning the development of such Commercial Property, including, without limitation, the type of any improvements which may be constructed on the Commercial Property.

Section 14. "**Commission**" shall mean and refer to The Maryland National-Capital Park and Planning Commission.

Section 15. "**Common Area Attached Lights**" shall mean and refer to lights that are attached to the exterior of a Living Unit (whether attached to the wall of a Living Unit or on or under a deck of a Living Unit) which have been designed and installed by the Declarant to provide lighting for the Common Areas (including the Public Roads, the Shared Private Road, private streets, private walkways, alleyways and/or sidewalks). The Common Area Attached Lights do not include other exterior light fixtures which may be attached to the exterior of Living Units and which serve only those Living Units. For locations of such Common Area Attached Lights, see "Common Area Attached Lights" attached hereto as Exhibit C.

Section 16. "**Common Areas**" shall mean and refer to all portions of the Property and all interests therein, including easements and improvements thereon, owned or leased by the Association or otherwise available to the Association for the common use and enjoyment of the Members. The Common Areas and all "Facilities" located within the Common Areas must ultimately include all of the real property and all facilities depicted as such on the Regulatory Plans reviewed and approved by the Planning Board. "Facilities" include, as may be applicable,

all recreational facilities, stormwater management facilities, private roads, and other required features that are to be constructed on the Common Areas pursuant to the Regulatory Plans. Facilities are to be timely constructed in a good and workmanlike manner. All Common Areas and completed Facilities must be annexed within the Association by the Declarant in accordance with the terms and conditions of the approved Regulatory Plans, as may be amended from time to time, and must otherwise be in accordance with the terms of any Regulatory Plan Enforcement Agreement, including a phasing schedule, as may be amended. The Declarant reserves the right to seek an amendment to the Regulatory Plans for the purpose of modifying the location or amount of real property comprising the Common Areas and for the purpose of modifying the improvements to be constructed on the Common Areas, which amendment shall be reviewed by the Planning Board in accordance with applicable law. Such amendment shall become effective only if approved by the Planning Board. Notwithstanding that the Association may be obligated to Maintain all or any portion of any Lot(s), to the extent expressly provided in this Declaration, such property shall not be considered Common Area.

Section 17. "**Common Expenses**" shall mean and refer to the actual and estimated expenses of operating the Association, including, without limitation, a reasonable reserve and expenses for the Maintenance of the Common Areas and other areas of the Project which are the responsibility of the Association, in accordance with Article IV hereof, all as may be found to be necessary or appropriate by the Board of Directors of the Association pursuant to this Declaration, the Bylaws and the Articles of Incorporation of the Association, as well as the fees which the Association is responsible for paying to the Master Association pursuant to the Master Park Potomac Governing Documents.

Section 18. "**Condominium I Association**" shall mean and refer to all of the councils of unit owners formed under the condominium regime(s) created on that portion of the Condominium Property by the Condominium Developer, which can be identified as Parcel L in Block H, Wheel of Fortune subdivision, as shown on Plat Number 8779, Wheel of Fortune Subdivision, recorded in the Land Records of the County.

Section 19. "**Condominium II Association**" shall mean and refer to all of the councils of unit owners formed under the condominium regime(s) created on that portion of the Condominium Property by the Condominium Developer, which can be identified as Parcels I, J and K, Block H, Wheel of Fortune subdivision, as shown on Plat Number 8779, Wheel of Fortune Subdivision, recorded in the Land Records of the County.

Section 20. "**Condominium Developer**" shall mean and refer to each and all of the developers of the Condominium Property. The Condominium Developer is not in any way related to the Declarant.

Section 21. "**Condominium Property**" shall mean and refer to that portion of Park Potomac located east of Ansin Circle Drive and identified as Parcels I, J, K and L, Wheel of Fortune Subdivision, which are, based upon the Regulatory Plans which exist as of the date of this Declaration, intended for development as multi-family residential improvements. The Declarant does not own or control the Condominium Property and makes no representation or warranty concerning the development of such Condominium Property, including, without

limitation, the type of any improvements which may be constructed on the Condominium Property.

Section 22. "**Conservation Easement Areas**" shall mean and refer to those portions of the Green Space over which a Category I Conservation Easement has been created as shown on the Record Plat.

Section 23. "**Control Period**" shall mean and refer to the period during which each MPDU is subject to the MPDU Covenants. The Control Period as to each MPDU commences on the date of settlement on the initial sale of the MPDU to a Class A Member holding a valid Certificate of Eligibility issued by the County.

Section 24. "**County**" shall mean and refer to Montgomery County, Maryland, and all agencies and divisions thereof.

Section 25. "**Declarant**" shall mean and refer to FP Homes Associates Limited Partnership, a Maryland limited partnership, its successors and assigns; provided, however, that no successor or assignee of the Declarant shall have any rights or obligations of the Declarant hereunder (i) unless such rights and obligations are specifically assigned by FP Homes Associates Limited Partnership by assignment recorded among the Land Records of the County, or (ii) unless said rights and obligations of the Declarant inure to the successor of FP Homes Associates Limited Partnership by operation of law, or (iii) unless such rights and obligations inure to a purchaser at foreclosure or a grantee in a deed in lieu of foreclosure from the Declarant who acquires not less than five (5) undeveloped Lots for the purposes of development.

Section 26. "**Declaration**" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, as the same may from time to time be amended by one or more Supplementary Declarations.

Section 27. "**Easement and Cost-Sharing Agreement**" shall mean and refer to the Development, Easement, Maintenance and Cost-Sharing Agreement entered into by the Declarant, the Condominium Developer, the Commercial Developer and the Master Declarant relating to the Shared Improvements, which was recorded on November 16, 2004 in Liber 28677 at folio 592 among the Land Records of the County.

Section 28. "**Eligible Mortgage Holder**" shall mean and refer to a holder, insurer or guarantor of a First Mortgage on a Lot, which holder, insurer or guarantor has submitted a written request for notice from the Association of amendments to the Association documents or other significant matters which would affect the interests of the Mortgagee.

Section 29. "**Entrance Features**" shall mean and refer to the brick, stone or other permanent monuments (including signage thereon), if any, and all light fixtures, lights, landscaping, irrigation system and other amenities, if any, around the signage, constructed at one or more of the entrances to Park Potomac, including the entrances at Seven Locks and Cadbury Avenue and at Montrose Road and Park Potomac Avenue, but only to the extent that such features are not included within the Master Common Areas.

Section 30. "**Federal Mortgage Agencies**" shall mean and refer to those Federally related agencies, if any, which may from time to time have an interest in the Property, or any portion thereof, including, but not limited to, the Federal Housing Administration ("**FHA**"), the Veterans Administration ("**VA**"), the Federal National Mortgage Association ("**FNMA**"), the Government National Mortgage Association ("**GNMA**"), and the Federal Home Loan Mortgage Corporation ("**FHLMC**").

Section 31. "**First Mortgage**" shall mean and refer to a Mortgage with priority over all other mortgages.

Section 32. "**First Mortgagee**" shall mean and refer to a Mortgagee who is the holder of a First Mortgage.

Section 33. "**Governing Documents**" shall mean and refer to the Articles of Incorporation of the Association, this Declaration, any Supplementary Declarations or amendments to this Declaration, and the Bylaws of the Association, all as initially drawn by the Declarant and filed or recorded as the case may be, and the Rules, all as may be duly amended from time to time.

Section 34. "**Governmental Authority**" or "**Governmental Authorities**" shall mean and refer to the State of Maryland, the County, the Commission, and any other governmental or quasi-governmental entity, or agency thereof, having jurisdiction over the Property.

Section 35. "**Green Space**" shall mean and refer to those open space areas within Park Potomac identified as Parcels E, F, G, H, X and U, Block H, Wheel of Fortune Subdivision, on the Record Plat.

Section 36. "**Green Space Landscaping**" shall mean and refer to the landscaping, retaining walls, fences, trails and other improvements located or intended to be located within the Green Space, all of which will be maintained by the Master Association pursuant to the Master Declaration.

Section 37. "**Institutional Mortgagee**" or "**Institutional Holder**" shall mean and refer to one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, mortgage companies, pension funds, mortgage insurance companies, Federal Mortgage Agencies, or business trusts, including, but not limited to, real estate investment trusts, any other lender regularly engaged in financing the purchase, construction, or improvement of real estate, or any assignee of loans made by such a lender, or any private or governmental institution which has insured a loan of such a lender, or any combination of any of the foregoing entities. In the event that any mortgage is insured by the FHA or guaranteed by the VA, then as to such mortgage, the expressions "Mortgagee" and "Institutional Mortgagee" shall include the FHA or the VA, as the circumstances may require, acting, respectively, through the Federal Housing Commission and the Secretary of Veterans Affairs, or through other duly authorized agents.

Section 38. "**Laws**" shall mean and refer to all applicable laws, rules, regulations codes or orders and ordinances applicable to the Property.

Section 39. "**Living Unit**" shall mean and refer to any structure or portion of a structure situated upon the Property designed and intended for use and occupancy as a residence by a Single Family.

Section 40. "**Lot**" shall mean and refer to a portion of the Property designated as a separate subdivided lot of record on a plat of subdivision, resubdivision, consolidation, or boundary-line adjustment of a portion of the Property, recorded among the Land Records of the County or any other plot of land shown upon any recorded subdivision plat of the Property, upon which the planned or actual improvements are Living Unit(s). The term "Lot" shall not include Common Areas or outlots dedicated for public use.

Section 41. "**Maintenance**" shall mean and refer to, and shall include, inspection, testing, care, cleaning, maintenance, operation, refurbishing, repair (whether ordinary or extraordinary), restoration, replacement, decoration, renovation, alteration, rebuilding or reconstruction, including, without limitation, as a result of design defects, construction defects, wear and tear, or damage by fire, casualty or condemnation, as required to keep the item in question in good condition and substantially in accordance with all applicable Laws. To "**Maintain**" means to inspect, test, clean, maintain, operate, refurbish, repair, repaint, restripe, restore, replace, decorate, renovate, alter, reconstruct or rebuild, as the context may allow or require.

Section 42. "**Maintenance Standards**" shall mean and refer to the following standards to be utilized by the Association when performing its Maintenance obligations under this Agreement: (i) preserve and enhance the values of the Property, (ii) avoid activities deleterious to the aesthetic or property values of the Property, (iii) Maintain a harmonious relationship among the structures and the natural vegetation and topography, (iv) promote the general welfare and safety of the Owners and the Occupants of the Living Units, and their respective guests, employees and invitees, (v) assure compliance of the improvements on the Property with the Regulatory Plans, (vi) Maintain all improvements on the Property in good condition and of at least the quality of improvements initially installed on the Property and comparable to the quality, condition, nature or operation found in other similar residential developments in the County of comparable age, quality and construction to the improvements on the Property. All Maintenance work is to be performed and completed on a regular basis, in a good and workmanlike manner, and in accordance with all applicable Laws. All repairs and replacements, and in particular, emergency repairs, will be made in the most expeditious manner possible, to prevent harm to the Property, or any portion thereof, and with the least adverse impact on the areas adjacent to the area in which the work is being performed and to the Owners and the Occupants of the Living Units.

Section 43. "**Management Agent**" shall mean and refer to a management agent or manager employed by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize pursuant to Article IX of this Declaration.

Section 44. "**Master Association**" shall mean and refer to The Park Potomac Master Association, Inc., a Maryland corporation, as formed pursuant to the Master Park Potomac Governing Documents, the members of which shall include the Members of the Association.

Section 45. "**Master Common Areas**" shall mean and refer to those areas within Park Potomac which are owned by the Master Declarant and which will be owned and maintained by the Master Association. The Master Common Areas include the Master Storm Water Management Facilities, the Green Space and the Shared Recreational Facilities.

Section 46. "**Master Declarant**" shall mean and refer to Park Potomac Declarant, LLC, a Maryland limited liability company, which is the declarant under the Master Declaration.

Section 47. "**Master Declaration**" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for The Park Potomac Master Association recorded on November 16, 2004 in Liber 28678 at folio 001 among the Land Records of the County, as the same may be amended from time to time.

Section 48. "**Master Park Potomac Governing Documents**" shall mean and refer to the Master Declaration and the Articles and Bylaws of the Master Association, as well as the Easement and Cost-Sharing Agreement, as each have been or may hereafter be amended.

Section 49. "**Master Storm Water Management Facilities**" shall mean and refer to the storm water management facilities located on the Master Common Areas which serve more than one community within Park Potomac.

Section 50. "**Master Tot Lot**" shall mean and refer to the tot lot located, or intended to be located, within Parcel E, Block H, as identified on the Record Plat.

Section 51. "**Members**" shall mean and refer to the members of the Association, each of whom shall be the Owner of a Lot.

Section 52. "**Mortgagee**" shall mean and refer to the holder of any recorded mortgage, or the party secured by or the beneficiary under, any recorded deed of trust, encumbering one or more of the Lots. "Mortgage," as used herein, shall include deeds of trust. As used in this Declaration, the term "Mortgagee" shall mean any mortgagee and shall not be limited to Institutional Mortgagees.

Section 53. "**MPDU**" shall mean and refer to each Living Unit which is designated as a "Moderately Priced Dwelling Unit." Said Living Unit and the Lot on which it is located shall be subject to the MPDU Covenants. As of the date of this Declaration, the Living Units intended to be constructed on Lots 17 18, 21, 22, 23, 27, 28, 31, 32, 33, 112, 113, 118 and 119 will be MPDUs.

Section 54. "**MPDU Covenants**" shall mean and refer to the covenants recorded against each Lot on which a MPDU is constructed or is intended to be constructed which restrict the ownership of such Living Unit and Lot to parties who meet certain income eligibility standards established by the County and who hold valid Certificates of Eligibility issued by the County. The restrictions shall be applicable to each MPDU during the Control Period.

Section 55. "**Neighborhood Park**" shall mean and refer to those areas within the Property which are designated as "Neighborhood Park" on the Recreational Amenities Plan.

Section 56. "**Neighborhood Tot Lot**" shall mean and refer to the tot lot which is located within the Property and designated as "Neighborhood Tot Lot" on the Recreational Amenities Plan.

Section 57. "**Notice**" shall mean and refer to (i) written notice delivered personally or mailed, by first-class mail, postage prepaid, to the last known address of the intended recipient; or (ii) notices published at least once a week for two consecutive weeks in a newspaper having general circulation in the County; or (iii) notice published in two consecutive issues of the newsletter of the Association, if any, which is delivered personally or mailed to the address of each occupied Living Unit.

Section 58. "**Occupant**" shall mean and refer to a resident of a Living Unit, who is the lessee or sublessee. There shall be only one Occupant per Living Unit for the purposes of this Declaration, although the Living Unit may house several individuals.

Section 59. "**Owner**" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is included within the jurisdiction of the Association. The term "Owner" shall not include those having an interest merely as security for the performance of an obligation or by virtue of a contract to purchase a Lot (but the term Owner shall include contract sellers of Lots). The term "Owner" shall include the holder of a security interest in all or any portion of a Lot to the extent that such holder acquires a fee simple interest in all or any portion of a Lot as a result of a foreclosure proceeding or by a deed in lieu of foreclosure if such interest is held for purposes other than security for performance of an obligation.

Section 60. "**Park Potomac**" shall mean and refer to all the real property subjected to the Master Declaration, including the Property, the Commercial Property and the Condominium Property.

Section 61. "**Park Potomac Architectural Guidelines**" shall mean and refer to the Design Guidelines for Park Potomac which were established pursuant to the Easement and Cost Sharing Agreement and such other guidelines which may be promulgated from time to time by the Master Association in accordance with the terms of the Master Declaration.

Section 62. "**Planning Board**" shall mean and refer to the Montgomery County Planning Board of the Maryland-National Capital Park and Planning Commission.

Section 63. "**Property**" shall mean and refer to all real property which is hereby subjected to the Declaration, together with such other real property as may from time to time be annexed thereto in accordance with Article II, Section 2 of this Declaration, and all improvements now or hereafter existing thereon, and excluding any real property which is subjected to this Declaration and subsequently withdrawn in accordance with Article II, Section 3 of this Declaration. At this time, the Property consists of the real property described on Exhibit A attached hereto.

Section 64. "**Public Roads**" shall mean and refer to the roads within Park Potomac identified on the Record Plat as Park Potomac Avenue and Cadbury Avenue, both of which

streets have been dedicated to the County and are intended to be publicly maintained after completion of construction.

Section 65. **"Public Road Landscaping"** shall mean and refer to all landscaping and hardscaping along the Public Roads, including, without limitation, the street trees, bushes, shrubbery, grass along the Public Roads and the sidewalks adjacent to the Public Roads. The Public Road Landscaping shall not include the landscaping located on individual Lots within the Property or the landscaping on the Common Areas maintained by the Association.

Section 66. **"Quorum of Members"** shall mean and refer to the representation at a duly called meeting of the Members by presence or proxy of Members who hold at least twenty percent (20%) of the outstanding Class A votes, and the representation by presence or proxy of the Class B Member, so long as the Class B membership shall continue to exist. In the event a "Quorum of Members" is not present at a duly called meeting of the Members, no action may be taken which requires the vote of a Quorum of Members. At the next duly called meeting of the Members after failure of the attending Members at the previous meeting to constitute a quorum, the quorum requirement may be reduced to constitute at least fifteen percent (15%) of the outstanding Class A votes and the representation by presence or proxy of the Class B Member, so long as the Class B membership shall continue to exist, provided that in order for the reduced quorum requirement to apply, the purpose of the meeting shall remain the same as that recited in the original notice given to all Members.

Section 67. **"Record Plat"** shall mean and refer collectively to Plat Nos. 23029, 23030, 23031 and 23032 filed in the Land Records of the County.

Section 68. **"Recreational Amenities"** shall mean and refer to those recreational amenities located on the Property and designated on the Recreational Amenities Plan as "Swimming Pool and Clubhouse," "Neighborhood Park," and "Neighborhood Tot Lot." The Recreational Amenities do not include the Shared Recreational Facilities which are located within the Master Common Areas.

Section 69. **"Recreational Amenities Plan"** shall mean and refer to the Recreational Amenities Plan attached hereto as Exhibit B and made a part hereof.

Section 70. **"Registered Notice"** shall mean and refer to any notice which has been sent by registered or certified United States mail, return receipt requested, postage paid, to the last known address of the intended recipient and which has been signed for or has been certified by the United States Postal Service that delivery was attempted at the aforementioned address. Failure by refusal of an intended recipient to acknowledge or accept such Notice shall nevertheless constitute receipt.

Section 71. **"Regulatory Plans"** shall mean and refer collectively to all project plans, preliminary plans and/or site plans reviewed and approved by the Planning Board, including, without limitation, (i) Preliminary Plan No. 1-03029 pursuant to the Montgomery County Planning Board Opinion dated July 25, 2003, and (ii) Site Plan 8-04012 pursuant to the Montgomery County Planning Board Opinion dated February 19, 2004 (the **"Phase I Site Plan"**), including all amendments, modifications, extensions and supplements thereof and thereto

as may be made from time to time. Other portions of Park Potomac are subject to the project plans, preliminary plans and/or site plans reviewed and approved by the Planning Board, including, without limitation, approved Site Plan No. 8-04015 pursuant to the Montgomery County Planning Board Opinion dated March 19, 2004 (the "**Phase II Site Plan**"), and all amendments, modifications, extensions and supplements thereof and thereto as may be made from time to time.

Section 72. "**Retaining Walls**" shall mean and refer to the retaining walls located behind Lots 35 through 48, inclusive.

Section 73. "**Rules**" shall mean and refer to the rules and regulations adopted from time to time by the Board of Directors governing the use, occupancy, operation and physical appearance of the Property.

Section 74. "**Screening Walls**" shall mean and refer to the screening walls located between Lots 24 and 66, Lots 25 and 67, and Lots 53 and 73.

Section 75. "**Shared Private Road**" shall mean and refer to those portions of Ansin Circle Drive, which are located on the Property, identified as Parcels "AA" and "Z" on the Record Plat. For purposes of this Declaration, the Shared Private Road means the street right-of-way, including the gutters, extended to the back of the curb, and any "Stop" signs located within said right-of-way, but expressly excluding all Shared Private Road Side Improvements.

Section 76. "**Shared Private Road Side Improvements**" shall mean and refer to all improvements located behind the curb and gutter along the Shared Private Road, including, without limitation, all sidewalks, street lighting, and all street trees and other landscaping and hardscaping, directional signs, parking (or restricted parking) signs, and other signage along the Shared Private Road (other than those signs specifically described in the definition of "Shared Private Road").

Section 77. "**Shared Recreational Facilities**" shall mean and refer to the Green Space, the Master Tot Lot, the Trails located within the Green Space, and other portions of the Master Common Areas.

Section 78. "**Single Family**" shall mean and refer to a single housekeeping unit which includes not more than three adults who are legally unrelated.

Section 79. "**Special Assessments**" shall mean and refer to the assessments which may be levied against Lots and collected and disbursed by the Association pursuant to Article V, Section 4 of this Declaration.

Section 80. "**Storm Water Facilities**" shall mean and refer to the storm water management areas and/or facilities serving the Property, whether for retention, detention, or other purposes, and whether located on or off of the Property, including, without limitation, storm water lines, filters, drainage pipes, ditches, infiltration trenches, ponds, basins, stream beds swales, berms, out-flow control devices, underground vaults, manholes, meters, valves, conduits, bio-retention facilities, if any, drainage areas, filters, inlets, oil/grit separators, underground facilities and related facilities, if any. The Master Storm Water Facilities which serve the

Property are, or are intended to be, located within the Master Common Areas owned by the Master Association.

Section 81. **"Supervised Fire System"** shall mean and refer to the 24-hour supervised fire system and/or hydrant system as required by WSSC, for Living Units of more than three (3) finished levels.

Section 82. **"Supplementary Declaration"** shall mean and refer to any declaration of covenants, conditions, and restrictions which may be recorded by the Declarant, which amends, supplements or modifies the provisions of this Declaration.

Section 83. **"Swimming Pool and Clubhouse"** shall mean and refer to the swimming pool and clubhouse facilities which are which are located within the Property and designated as "Swimming Pool" and "Clubhouse", and the area in which such facilities are located, all as shown on the Recreational Amenities Plan.

Section 84. **"Townhouse Landscaping"** shall mean and refer to all landscaping and hardscaping within the Common Areas of the Property, including, without limitation, the sidewalks, street trees, bushes, shrubbery, grass and other landscaping and hardscaping from time to time located within the Common Areas of Property. The Townhouse Landscaping shall not include the landscaping located on individual Lots within the Property or the landscaping maintained by the Master Association.

Section 85. **"Trails"** shall mean and refer to the trails which are located, or intended to be located, on the Master Common Areas which will be owned by the Master Association as provided for in the Regulatory Plans.

Section 86. **"Transit Center"** shall mean and refer to the transit center located, or intended to be located, on the Commercial Property which will serve the Park Potomac community.

Section 87. **"WSSC"** shall mean and refer to the Washington Suburban Sanitary Commission.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

Section 1. The Property. The Property is and shall be held, transferred, sold, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to this Declaration and all covenants, restrictions, conditions, easements, charges and liens set forth in this Declaration, in the Master Park Potomac Governing Documents, and in the Regulatory Plans.

Section 2. Additions to The Property. So long as the Class B Member is still a Member of the Association, the Declarant shall have the unilateral right, without the consent of the Class A Members, to subject to this Declaration any additional property which the Declarant

owns or acquires in the vicinity of the Property, for a period of ten (10) years following the date of recordation of this Declaration among the Land Records of the County; 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 ten (10) year period shall be extended by a period of time equal to the lesser of (i) the length of the delays or (ii) an additional five (5) years. The scheme of this Declaration shall not, however, be extended to include any such real property unless and until the same is annexed within the jurisdiction of the Association by the recordation of a Supplementary Declaration as provided in this Section. Except as otherwise provided above with respect to annexations of real property by the Declarant, annexations of real property within the jurisdiction of the Association shall require the consent of Members entitled to cast not less than sixty-seven percent (67%) of the votes of all Members present, in person or by proxy, and voting at any meeting of the Association.

The Supplementary Declaration which subjects additional property to this Declaration shall describe the real property to be annexed to the scheme of this Declaration and shall state that it is being made pursuant to the terms of this Declaration for the purpose of annexing the property described in the Supplementary Declaration to the scheme of this Declaration and extending the jurisdiction of the Association to cover the real estate so described in such Supplementary Declaration. The Supplementary Declaration may contain such complementary additions and modifications to the covenants, conditions and restrictions set forth in this Declaration as may be considered necessary by the Declarant to reflect the different character, if any, of the real property being annexed or the various housing or community style characteristics and development approaches to which the annexed land or parts thereof may be subject, all of which may be significantly at variance with other portions of the Property, but all of which shall be consistent in quality with the improvements constructed on the Property. Every Owner of a Lot in property annexed as provided herein shall have an easement of enjoyment in and to the Common Areas, and such other rights of use as are provided in Article IV, Section 2 of this Declaration, but subject to the provisions of Article IV, Section 3 of this Declaration.

The additions authorized under this Section 2 shall be made by complying with the requirements of the applicable County zoning ordinances; by securing the Approval of the Federal Mortgage Agencies, if required; by recording in the Land Records of the County one or more Supplementary Declarations of covenants and restrictions with respect to the additional property; and by filing with the Association any applicable site plans and/or subdivision plats for such additions.

Section 3. Withdrawable Real Estate. The Declarant shall have the unilateral right, without the consent of the Class A Members, to execute and record an amendment to this Declaration withdrawing any portion of the Property on which Living Units have not been constructed for a period of ten (10) years following the date of recordation of this Declaration among the Land Records of the County; provided, however, that (i) such withdrawal of any portion of the Property shall not result in the Property failing to comply with applicable zoning ordinances, and (ii) the Declarant is the owner of such property at the time of withdrawal, or, if the Declarant is not the owner of such property, the Declarant withdraws such property with the written consent of the owner thereof; provided, further, 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 ten (10) year period shall be extended by a period of time equal to the lesser of (a) the length of the delays or (b) an additional five (5) years. Such withdrawn property shall no longer be subject to the covenants, conditions and restrictions of this Declaration except for (x) any easements, rights, reservations, exemptions, powers or privileges reserved to the Declarant pursuant to this Declaration which affect the withdrawn property and (y) any other easements, rights, reservations, exemptions, powers or privileges which are expressly reserved to the Declarant in the instrument effectuating such withdrawal. Such withdrawal shall be made by recording a Supplementary Declaration among the Land Records of the County withdrawing the effect of the covenants, conditions and restrictions of this Declaration from the withdrawn property. Such withdrawn property may be utilized by the Declarant, or any successor, assign or transferee thereof, for any lawful purpose or use.

Section 4. Merger. In accordance with its Articles of Incorporation, the real estate, personal property, rights, and obligations of the Association may, by operation of law, be transferred to another surviving or consolidated association similar in corporate nature and purposes. Similarly, the real estate, personal property, rights, and obligations of an association similar in corporate nature and purposes to the Association may, by operation of law, be added to the property, rights, and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration upon any other properties as one scheme. No such merger or consolidation shall, however, effect any revocation, change, or addition to the covenants established by this Declaration within the Property except as hereinafter provided. Such merger or consolidation shall require the affirmative vote of at least sixty-seven percent (67%) of each class of Members and the approval and consent as is required in Article VIII, Section 1 of this Declaration.

ARTICLE III

THE ASSOCIATION

Section 1. Organization. The Association is a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland and charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as the same may be amended from time to time; provided, however, that no other Governing Documents shall be amended for any reason, or otherwise changed or interpreted, so as to be inconsistent with the provisions of this Declaration.

Section 2. Membership.

(a) Basis. Membership shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except as provided in the Governing Documents. Each person or entity which is a record Owner of a Lot shall be a Member of the Association. Each Owner shall also be a member of the Master Association.

(b) Member's Rights and Duties. Each Member shall have the rights, duties, and obligations set forth in the Governing Documents. In addition, as a member of the Master Association, each member shall have the rights, duties and obligations set forth in the Master Park Potomac Governing Documents.

(c) Voting Rights. The Association shall have two (2) classes of voting membership as follows:

Class A. Class A Members shall be all Owners (as defined in Article I), except the Class B Member (until the expiration of the Class B membership as provided below). Each Class A Member shall be entitled to one (1) vote for each Lot owned by such Owner.

Class B. The Class B Member shall be the Declarant, its nominee or nominees. The Class B Member shall have three (3) votes for each Lot in which it owns a fee or undivided fee interest. The Class B member shall initially have four hundred fifty (450) votes. This number shall be increased by three (3) votes for each Lot which is annexed within the jurisdiction of the Association in accordance with Article II, Section 2 of this Declaration in excess of one hundred fifty (150) Lots, and shall be decreased by three (3) votes for each Lot conveyed to a Class A Member.

The Class B membership and Class B voting rights shall cease, and be converted to a Class A membership with Class A voting rights as to each and every Lot in which the Declarant then holds the interest otherwise required for Class A membership, upon the earliest to occur of the following events:

- (i) one hundred twenty (120) days following the date on which the total authorized, issued and outstanding votes of the Class A Members equals the number of votes of the Class B Member; or
- (ii) ten (10) years after the date of recordation of this Declaration by the Declarant; 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 reasonable control, the aforesaid ten (10)-year period shall be extended by a period of time equal to the lesser of (a) the period of the delays, or (b) an additional five (5) years; or
- (iii) upon the surrender of said Class B membership by the then holders thereof for cancellation on the books of the Association.

(d) Exercise of Vote. The vote for any membership which is held by more than one person shall be exercised as they among themselves shall determine, but it may be exercised by any one of them, provided that no objection or protest by any other holder of such membership is made prior to the completion of a vote. If such protest is lodged prior to the completion of the vote, the vote for such membership shall not be counted, but the Member whose vote is in dispute shall be counted as present at the meeting for quorum purposes if the protest is lodged at such meeting. Except in the case of the Class B voting rights, in no event

shall more than one vote be cast with respect to any Lot. Any Owner who leases his or her Lot may, in the lease or other written instrument, assign the voting right appurtenant to that Lot to the lessee, provided that a copy of such instrument is furnished to the Association.

Section 3. Board of Directors.

(a) Composition. The number of Directors and method of selection of Directors shall be as provided in the Bylaws; provided, however, that the Declarant, until the Declarant's rights as a Class B Member cease in accordance with the provisions of Article III, Section 2(c)(ii), shall be entitled to appoint at least three (3) Directors.

(b) Extent of Power.

(i) The Board of Directors shall have all powers to conduct the affairs of the Association which are enabled by law or the Governing Documents and which are not specifically reserved to Members or the Declarant by said Documents.

(ii) The Board of Directors shall exercise its powers in accordance with the Governing Documents.

(c) Powers and Duties. By way of example and without limiting the generality thereof, the Board of Directors shall have the power and obligation to perform the following duties:

(i) Real and Personal Property. To acquire (by gift, purchase or otherwise), own, hold, improve, Maintain, manage, lease, pledge, convey, transfer, or dedicate real or personal property for the benefit of the Members in connection with the affairs of the Association, except that no dedication, sale or transfer of the Common Areas shall be effective, nor shall any mortgaging of the Common Areas be effective, unless the consent of Members holding at least sixty-seven percent (67%) of the votes in the Association (and the consent of the Class B Member, so long as the Class B membership shall continue to exist) and the consent of fifty-one percent (51%) of the Eligible Mortgage Holders shall have been obtained with respect to such dedication, sale, transfer, or mortgaging of the Common Areas and provisions of Article II and Article VIII of this Declaration shall have been complied with, to the extent applicable; and further provided, that any conveyance of the Common Areas shall be subject to the easements granted across the Common Areas pursuant to Article VII of this Declaration.

(ii) Rule Making. To establish, and amend from time to time, and enforce compliance with, such reasonable rules and regulations as may be necessary to govern the use of the Property and facilities thereon, and the personal conduct of the Members of the Association and their guests thereon, and to establish penalties for the violation of same.

(iii) Assessments. To fix, levy, and collect assessments as provided in Article V, including, without limitation, the establishment of reserves as set forth in Article V of this Declaration.

(iv) Agreements; Easements. To enter into, make, grant, perform, enforce and vacate contracts, agreements, licenses, easements, dedications, leases, and/or rights-of-way over and across the Common Areas (and to the extent provided in this Declaration, the Lots), including, without limitation, to public agencies to serve necessary public purposes, to owners of other properties within Park Potomac, to the Master Association, public or private utility companies, those that may otherwise be or become necessary, or those that are deemed reasonable by the Board of Directors, or those provided in Article VII or otherwise anticipated by this Declaration that is not inconsistent with the approved Regulatory Plans or the Master Declaration.

(v) Employment of Agents. To employ, enter into contracts with, delegate authority to, and supervise such persons or entities as may be appropriate to manage, conduct, and perform the business obligations and duties of the Association.

(vi) Mergers/Consolidations. To participate in mergers and consolidations with other corporations as provided in Article II, and subject to the provisions of Article VIII of this Declaration.

(vii) Enforcement of Governing Documents. To perform acts, as may be reasonably necessary or appropriate, including bringing suit, causing a lien to be filed or foreclosed, and suspending membership rights, for enforcing or effectuating any of the provisions of the Governing Documents.

(viii) Master Association Obligations. To take all actions and perform all duties and obligations under the Master Park Potomac Governing Documents, including, without limitation, satisfying all obligations of the Association to collect and remit each Owner's share of the assessments thereunder, to appoint a Member of the Association to serve on the Board of Directors of the Master Association and prepare a budget each calendar year setting forth the estimated total Shared Private Road costs for the coming calendar year in accordance with the terms of the Master Declaration.

(ix) Performance and Enforcement of Third Party Agreements. To take all actions, as may be reasonably necessary or appropriate to perform the obligations of the Association, and to enforce or defend rights, obligations, easements, burdens and benefits under the Easement and Cost-Sharing Agreement and any and all other agreements with third parties affecting the Property, including without limitation, providing all consents, waivers, approvals, appointments, responses to requests for approval, performing all Maintenance obligations, preparing budgets as may be required, bringing or defending a suit, causing a lien to be filed or foreclosed, or removed, and exercising all remedies available for enforcing or effectuating any of the provisions of the third party agreements. The foregoing obligations include, without limitation, performing all Maintenance obligations with respect to the Shared Private Road, providing invoices to Condominium I Association and Condominium II Association for their share of the costs payable for such Maintenance of the Shared Private Road, and collecting such funds.

(x) Architectural Design; Compliance with Approvals, Easements. To regulate the external design, appearance and location of the Common Areas and the

improvements thereon, and the Lots and Living Units, in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among the structures and the natural vegetation and topography, and to review, modify, and approve architectural standards recommended by the Architectural Review Board; and to monitor compliance with the requirements of any conservation easements and other restrictions imposed on Lots and/or the Common Areas by the Master Association pursuant to the Park Potomac Architectural Guidelines, and by Governmental Authorities, including, without limitation, the Planning Board, and any and all Regulatory Plans, the conservation easement area restrictions established with respect to the Conservation Easement Areas, the requirements and restrictions imposed by preliminary and/or site plan approved by the Governmental Authorities, and to periodically remind the Members of the Association of such restrictions.

(xi) Ownership of Common Areas. Upon tender of a deed from the Declarant with respect to the Common Areas, accept fee simple title to the Common Areas from the Declarant, which deed shall include, if requested by the Declarant, an acknowledgment by the Association of its obligations with respect to the Common Areas.

(xii) Notice to Declarant upon Turnover. Within sixty (60) days following the later to occur of (i) conversion of the Declarant's Class B Membership to Class A Membership as provided for in Article III, Section 2(c) of this Declaration, or (ii) final paving of the public streets, private streets and/or alleyways within the Property by the Declarant, designate and engage, together with the Declarant, an inspecting engineer mutually agreed upon by the Board of Directors (on behalf of the Association) and the Declarant (the "**Inspecting Engineer**") to conduct an assessment of the Common Areas of the Property in order to identify any and all portions of the Common Areas which may require repairs or corrective work based upon the specifications of the Regulatory Plans, and to prepare a report (the "**Inspection Report**") of any such repairs or corrective work to be performed. Based upon the Inspection Report prepared by the Inspecting Engineer, a final list (the "**Corrective Work List**") of all such repairs and corrective work to be performed (the "**Corrective Work**") shall be agreed upon by the Declarant and the Board of Directors. The Declarant shall complete all Corrective Work on the Corrective Work List, at Declarant's sole cost and expense, and all Corrective Work shall be inspected by the Inspecting Engineer, as follows: within five (5) business days after the Declarant notifies the Inspecting Engineer that a component of the Corrective Work has been completed in accordance with the specifications of the Regulatory Plans, the Inspecting Engineer shall issue to both the Declarant and the Board of Directors, a written certificate of completion as to such component of the Corrective Work; and within five (5) business days after Declarant notifies the Inspecting Engineer that all Corrective Work has been completed in accordance with the specifications of the Regulatory Plans, the Inspecting Engineer shall issue to both the Declarant and the Board, a written final certificate of completion as to all Corrective Work. Upon issuance by the Inspecting Engineer of the final certificate of completion, the Declarant shall have no further obligation, liability or responsibility for the repair or correction of any of the Common Areas of the Property. All costs of the Inspecting Engineer shall be shared equally by the Declarant and the Association. The failure of the Board to work jointly with the Declarant to engage such Inspecting Engineer as provided in this paragraph shall, to the extent permitted by law, be deemed as a waiver of the Association of any right to initiate an action, claim or litigation against the Declarant based upon, or by reason of, any deficiencies or damage in any manner relating to the Common

Areas, including, without limitation, the design, construction, installation or repair of the Common Areas, or any of same. The provisions of this Article III, Section 3(c)(xii) shall not be amended without the prior written consent of the Declarant..

Section 4. The Architectural Review Board.

(a) Composition. Until the Declarant's Class B membership rights cease, the Architectural Review Board shall be composed of three (3) members appointed by the Declarant. When the Declarant's Class B membership rights cease, the Architectural Review Board shall consist of three (3) or more Owners who shall be appointed by the Board of Directors as provided in the Bylaws. The affirmative vote of a majority of the members of the Architectural Review Board 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 or approval pursuant to the authority set forth in this Article III, Section 4.

(b) Powers and Duties. The Architectural Review Board shall recommend to the Board of Directors the adoption of Rules to regulate the external design, appearance, and location of improvements located on the Property in such a manner so as to (i) preserve and enhance values of the Property, (ii) avoid activities deleterious to the aesthetic or property values of the Property, (iii) maintain a harmonious relationship among the structures and the natural vegetation and topography, (iv) promote the general welfare and safety of the Owners, the Occupants and their households, guests, employees, agents and invitees, (v) comply with the Master Park Potomac Governing Documents, (vi) comply with the Park Potomac Architectural Guidelines and (vii) comply with the Regulatory Plans. 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 purposes of proper Maintenance and repair, no building, fence, wall, deck, windows, storm doors, window and door security bars 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, without limitation, any exterior signs and/or any change of color on any exterior portion of a Living Unit) or other alteration thereupon be made, nor shall any alteration of any portion of a Living Unit, which alteration of the Living Unit shall be visible from the exterior of the Living Unit, be made, nor shall any landscaping or hardscape, including, without limitation, hot tubs, fountains, statuary, planters, plantings or shrubbery, be placed on any rooftop, rooftop terrace, deck or patio [other than planters, plantings and shrubbery on fenced-in patios (but not on rooftop terraces) which planters, plantings and shrubbery are not visible from the public or private streets or alleyways or from Common Areas adjacent to the Lot, or from outside of the fenced-in area], until the complete plans and specifications showing the location, nature, shape, height, material, color, type of construction, or the type and size of planters, plantings and shrubbery, and any other proposed form of change (including, without limitation, any other information specified by the Architectural Review Board) shall have been submitted to and approved in writing as to safety, harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the community and with the Park Potomac Architectural Guidelines, by the Architectural Review Board. To the extent that any proposed improvements or alterations shall require the approval of any Governmental Authority, the Owner shall submit an application to the Governmental Authority simultaneously with

submitting same to the Architectural Review Board. The Owner shall be solely responsible for processing such application with the Governmental Authority at the sole cost and expense of the Owner. The Owner shall provide the Architectural Review Board with copies of all correspondence with any Governmental Authority relating to the Owner's application, and shall provide the Architectural Review Board with a copy of any decision made by any Governmental Authority with respect to the Owner's application.

In furtherance of its purposes, the Architectural Review Board shall:

- (i) Review and approve, modify, or disapprove written applications of Owners and of the Association, for improvements or additions to Lots, Living Units, or Common Areas. Notice of any disapprovals of applications shall be by Registered Notice. Approvals shall be sent by regular first-class mail. A copy of the plans and specifications, as approved by the Architectural Review Board, shall be deposited among the permanent records of such Architectural Review Board. The Architectural Review Board shall have the absolute right to disapprove any application for improvements or additions to Lots, Living Units or Common Areas, notwithstanding any approvals of any Owner's application by any Governmental Authority for such improvements, alterations or additions.
 - (ii) Review a copy of the Owner's application submitted to any Governmental Authority for improvements or alterations, and provide information as may be requested by any Governmental Authority in connection with the Owner's application submitted to any Governmental Authority, and review the decisions of the Governmental Authority with respect to the Owner's application.
 - (iii) Monitor Lots and Living Units for compliance with the architectural standards and plans for alterations approved in accordance with this Declaration.
 - (iv) Recommend to the Board of Directors for consideration and adoption architectural standards, which may include standards for interior and exterior window treatments for Living Units, to the extent that such window treatments will be visible from the exterior of the Living Unit, storm doors, window and door security bars, and other items which will be visible from the exterior of the Living Unit. Such standards shall be in addition to, but may not violate or be inconsistent with, the Park Potomac Architectural Guidelines.
 - (v) Adopt procedures for the exercise of its duties and enter them in the Rules.
- (c) Failure to Act. In the event that the Architectural Review Board fails to approve, modify, or disapprove, in writing, a correctly filed application within sixty (60) days after the plans and specifications (and all other materials and information required by the Architectural Review Board) have been submitted to it in writing, and provided that the request set forth in such application does not violate any provision of this Declaration, the Regulatory Plans, the Master Park Potomac Governing Documents, or the Park Potomac Architectural Guidelines, then approval by the Architectural Review Board will be deemed granted, subject, however, to approval of such proposed improvements or alterations by any Governmental Authority who must approve the proposed work, if any such approval is required. Notification

of total or partial disapproval shall include the reasons for such disapproval. Failure of the Architectural Review Board or the Board of Directors to enforce the architectural standards or to notify an Owner of noncompliance with architectural standards or approved plans for any period of time shall not constitute a waiver by the Architectural Review Board or the Board of Directors of the enforcement of this Declaration or the architectural standards adopted by the Board of Directors at any later date.

(d) Appeal. An applicant may appeal an adverse decision of the Architectural Review Board, within thirty (30) days after such adverse decision is rendered, to the Board of Directors, which may reverse or modify such decision, but in no event shall the Architectural Review Board or the Board of Directors be required to reconsider an adverse decision where the proposal violates the Master Park Potomac Governing Documents, the Regulatory Plans, the Park Potomac Architectural Guidelines, applicable zoning ordinances or approvals or architectural standards relating to the Property or where the proposal has been disapproved by any Governmental Authority. The Board of Directors is hereby authorized and empowered to promulgate reasonable rules of procedures for the conduct of such appeals.

(e) Limitations. Construction or alterations in accordance with plans and specifications approved by the Architectural Review Board pursuant to the provisions of this Article III, Section 4 shall be commenced within sixty (60) days following the date upon which the same are approved by the Architectural Review Board (whether by affirmative action or by forbearance from action, as in paragraph (c) of this Section 4 provided), and shall be substantially completed within six (6) months following the date of commencement, or within such other reasonable period as the Architectural Review Board 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 Architectural Review Board shall be conclusively deemed to have lapsed and compliance with the provisions of this Section 4 shall again be required. There shall be no deviation from the plans and specifications approved by the Architectural Review Board without the prior written consent of the Architectural Review Board. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural Review Board to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

(f) Approvals. Design approval by the Architectural Review Board or by the Board of Directors 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 Review Board shall have the right to charge a reasonable fee for reviewing an application. In addition, the Owner shall pay the cost of any architect or engineer engaged by the Architectural Review Board to review the proposed plans. The Owner shall be solely responsible for all costs relating to obtaining the necessary approvals from all appropriate Governmental Authorities, and all plans and permits required for the proposed improvements or alterations, and in no event shall the approval by the Architectural Review Board or by the Board of Directors be substituted in lieu of applicable governmental approvals and permits or be deemed to constitute a determination as to compliance with local zoning ordinances, governmental guidelines or restrictions.

Section 5. Fidelity Bonds. The Association shall obtain and maintain fidelity coverage against dishonest acts on the part of Directors, officers, managers, trustees, employees, volunteers, and agents, and all other persons handling or responsible for handling funds collected, held or administered by the Association, whether or not such person receives compensation for their services. Where the Board of Directors has delegated some or all of the responsibility for the handling of funds to a Management Agent, such Management Agent shall be covered by its own fidelity insurance policy which must provide the same coverage as fidelity insurance maintained by the Board of Directors. Except for fidelity insurance that a Management Agent obtains for its personnel, all other fidelity insurance policies should name the Association as the insured and should have their premiums paid as a Common Expense by the Association. To the extent available, fidelity insurance obtained by a Management Agent shall name the Association as an additional insured. The total amount of fidelity coverage required should be sufficient to cover the maximum funds (including reserve funds) that will be in the custody of the Association or the Management Agent at any time while the fidelity insurance policy is in force, and should at least equal the sum of three (3) months aggregate assessments on all Lots within the Association, plus any reserves. Fidelity insurance policies should contain waivers by the insurers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The fidelity insurance policies should provide that they cannot be canceled or materially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written Registered Notice to the Association.

Section 6. Association Insurance.

(a) Hazard Insurance. The Board of Directors of the Association, or its duly authorized Management Agent, shall be required to obtain, maintain and pay the premiums, as a Common Expense, upon a policy of hazard insurance covering the Common Areas and any property required to be insured by the Association pursuant to the Master Park Potomac Governing Documents, and any easement or lease agreement (except land, foundation, excavation and other items normally excluded from coverage) including fixtures and building service equipment, to the extent that they are a part of the Common Areas of the Association or such other property which the Association may insure, as well as common personal property and supplies.

The hazard insurance policy shall afford, as a minimum, protection against loss or damage by fire and all other perils normally covered by the standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available, and shall name the Association as a named insured. The insurance should cover one hundred percent (100%) of the current replacement cost (less a reasonable deductible) of the insured property. Coverage need not include land, foundations, excavations or other items that are usually excluded from insurance coverage. Unless a higher maximum amount is required pursuant to the law of the State of Maryland, the maximum deductible amount for coverage of the Common Area is the lesser of Ten Thousand Dollars (\$10,000.00) or one percent (1%) of the policy face amount. The funds to cover this deductible amount should be included in the Association's operating reserve account.

Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by the Best's Key Rating Guide of B/III or better (or its equivalent). Each insurer must be specifically licensed or authorized by law to transact business within the State of Maryland. The policy contract shall provide that no assessment may be made against the mortgagee, and that any assessment made against others may not become a lien on the mortgaged Lot superior to the First Mortgage.

The hazard insurance policy must provide that the insurance carrier shall notify the Association by written Registered Notice at least thirty (30) days prior to any cancellation or substantial change in the Association's coverage (including, without limitation, any cancellation by reason of non-payment of premium). Such Registered Notice shall be sent simultaneously therewith to any Eligible Mortgage Holder who requests such Notice in writing.

All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly acceded by private institutions as mortgage investors in the area in which the mortgaged premises are located. The following endorsements are also required: (i) an Inflation Guard Endorsement (if reasonably available); (ii) a Construction Code Endorsement if the Common Areas are subject to a construction code provision which would become operative and require changes to undamaged portions of any structures, even when only part of a structure is destroyed by an insured hazard or peril, and (iii) a Steam Boiler and Machinery Coverage Endorsement if any structure within the Common Areas has central heating or cooling, which should provide for the insurer's minimum liability per accident per location to be at least equal to the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the structure(s) housing the boiler or machinery.

(b) Flood Insurance. If the Common Areas are located in a Special Flood Hazard Area designated as A, AE, AH, AO, A1-30, A-99, V, VE, or V1-30 on a Flood Insurance Rate Map, the Association must maintain a "master" or "blanket" policy of flood insurance on the Common Areas. The amount of flood insurance shall be at least equal to the lesser of one hundred percent (100%) of the insurable value of all structures and improvements situated in such Special Flood Hazard Area or the maximum coverage available under the applicable National Flood Insurance Administration program. Unless a higher deductible amount is required under the laws of the State of Maryland, the maximum deductible amount for flood insurance policies shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy's face amount. The funds to cover this deductible amount should be included in the Association's operating reserve account.

(c) Liability Insurance. The Association shall obtain and maintain a comprehensive general liability policy of insurance covering all of the Common Areas, public ways and any other areas that are under the Association's supervision or Maintenance, including any areas required to be insured by the Association pursuant to the Master Park Potomac Governing Documents. The policy shall also cover any commercial space owned by the Association, even if such space is leased to others. The policy should provide coverage for bodily injury (including death) and property damage that results from the operation, Maintenance or use of the Common Areas and any legal liability that results from law suits related to employment contracts in which the Association is a party. Supplemental coverage to protect against additional risks should also be obtained, if required by a Mortgagee. Such insurance

policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. Liability coverage shall be at least One Million Dollars (\$1,000,000.00) per occurrence, for bodily injury and property damage, unless higher amounts of coverage are required by a Mortgagee. The liability policy must provide that the insurance carrier shall notify the Association in writing at least ten (10) days before it cancels or substantially modifies the Association's coverage.

(d) Errors and Omissions Insurance. The Association shall purchase Officers and Directors Errors and Omissions Insurance or similar coverage which shall include coverage for liability due to the acts of its agents and servants.

(e) Other Insurance; Premiums. The Association may purchase other insurance which the Board of Directors deems necessary or prudent. All insurance policies shall provide for at least ten (10) days written notice to the Association before material modification or cancellation of any policy. All premiums shall be paid as a Common Expense by the Association. In the event that the Association shall fail to maintain insurance for the Common Areas or allow insurance coverage to lapse, one or more of the First Mortgagees shall have the right, upon reasonable notice to the Association, to obtain such insurance and to advance premiums on behalf of the Association. The Association shall reimburse such First Mortgagees for premiums advanced.

Section 7. Individual Insurance. By virtue of taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association that each individual Owner shall carry blanket all risk casualty insurance on the Living Unit and all structures located upon the Lot. At a minimum, such coverage shall provide coverage against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard. The Board of Directors of the Association, or its duly authorized agent, shall have the authority to obtain insurance for all or any of the Living Units located on the Property, unless the Owners thereof have supplied proof of adequate coverage to the satisfaction of the Board of Directors. The Board of Directors and the Association shall incur no liability to any Owner or Mortgagee in the event that the Board of Directors or the Association shall elect not to exercise their authority to obtain such insurance for all or any of the Living Units located on the Property. In the event the Board of Directors obtains insurance for any Lot or Living Unit pursuant to this Section, the cost thereof shall be assessed against the Lot benefitting from such insurance and shall be collectible in the same manner as any other assessment under Article V of this Declaration. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction to the Living Unit and other structures constructed on the Lot, the Owner shall proceed promptly to repair or to reconstruct the Living Unit and other damaged structures in a manner consistent with the original construction. Each Owner of a Lot covenants and agrees that in the event that such Living Unit is totally destroyed, the Owner shall proceed promptly to repair or to reconstruct the Living Unit in a manner consistent with the original construction, unless approval to do otherwise is obtained from the Architectural Review Board or the Board of Directors.

ARTICLE IV

ASSOCIATION MAINTENANCE OBLIGATIONS; COMMON AREAS

Section 1. Maintenance Obligations of the Association. Commencing upon the conveyance by the Declarant of the first Lot and Living Unit to an Owner, the Association shall be responsible for the management, Maintenance, control and replacement, as necessary, of the Common Areas (and other elements of Property, to the extent specifically provided for herein) for the benefit of the Members of the Association (and in the case of the Shared Private Road, for the benefit of the Members of the Association, the Condominium I Association and the Condominium II Association).

(a) **Common Areas.** The Common Areas shall include those portions of the Shared Private Road located on the Property and all other private streets and alleyways within the Property, parking areas within the Common Areas, street lights along the private streets and/or private alleyways, the Shared Private Road Side Improvements on the Property, sidewalks along the private streets and walkways adjacent thereto (but specifically excluding the sidewalks and Shared Private Road Side Improvements which are located on the Condominium Property which are the responsibility of the owner of that portion of the Condominium Property adjacent to the Shared Private Road pursuant to the terms of the Master Declaration, and the leadwalks, driveways or curbs adjacent to private driveways, or pathways within any Lot or which serve or benefit only a particular Lot), any Storm Water Facilities (other than the Master Storm Water Management Facilities which are Maintained by the Master Association pursuant to the Master Declaration or other storm water management facilities which are publicly-maintained), all steps in the Common Areas (but not steps or stoops on Lots), all Recreational Amenities, all furnishings, benches and equipment within the Common Areas, all landscaping, planter boxes, tree boxes, trees, shrubbery and irrigation system within the Common Areas, and all other improvements and facilities in the Common Areas, including Retaining Walls, Cheek Walls and bollards, if any.

(b) **Maintenance Standards; Perpetual Obligation.** The Association shall Maintain the Common Areas and all improvements and facilities located therein or thereon in accordance with the Maintenance Standards at all times (except to the extent that the Owners shall have responsibility for same as set forth in Article VI, Section 3 hereof). The Association shall also Maintain the Shared Private Road in accordance with the Maintenance Standards at all times as provided in Article IV, Section 2(a) below. The obligation of the Association set forth herein with respect to the Maintenance of the Common Areas and the Shared Private Road, and all improvements and facilities located therein or thereon shall be perpetual and such obligations may not be amended without the prior written consent of the appropriate Governmental Authorities.

Section 2. Specific Maintenance Obligations. The Maintenance obligations of the Association shall including the following:

(a) **Maintenance of Streets and Other Surfaces.** The Association shall Maintain the streets (including, without limitation, the Shared Private Road and all Shared Private Road Side Improvements located on the Property), alleyways, and sidewalks (but

specifically excluding the Shared Private Road Side Improvements which are located on the Condominium Property), and steps within the Common Areas a clean manner and, to the extent possible, as a smooth surface. Maintenance of such streets (including the Shared Private Road), alleyways, sidewalks and other surfaces, as well as the steps within the Common Areas, shall not include the removal of stains on such surfaces resulting from the use of such streets, alleyways, sidewalks, steps and other surfaces.

(b) Retaining Walls; Cheek Walls; Screening Walls. The Association will be responsible for the Maintenance of all Retaining Walls, Cheek Walls and Screening Walls installed by the Declarant during the initial construction of the Project, including all Retaining Walls, Cheek Walls and Screening Walls (including any fencing which may be located on any of said walls, but excluding party walls which are to be Maintained by the Owner of the adjoining Lots which share such party wall) located within the Common Areas and on Lots. Except for any Retaining Walls, Cheek Walls and Screening Walls (and any fencing which may be located on any of said walls) which may be located on Lots, the Association shall not be responsible for Maintaining any walls or fencing on the Lots.

(c) Landscape Maintenance. The Association will be responsible for Maintaining all landscaping within the Common Areas. Such Maintenance shall include the regular mowing of grass areas in the Common Areas. In addition, the Association will be responsible for the regular mowing of the grass areas within the front and side yards, as applicable, of all Lots; however, an Owner shall be responsible for the Maintenance of the rear yard of such Owner's Lot. The Association shall also be responsible for (i) pruning (limbed to a minimum of six (6) feet), feeding, spraying, mulching and weeding the grass areas and landscape areas installed by the Declarant or the Association within the Common Areas and within the Lots, including those trees along the private streets (except to the extent that the Master Association is responsible for maintenance of street trees pursuant to the Master Declaration), (ii) pruning and trimming shrubbery (maintained at a maximum of 36 inches) installed by the Declarant or the Association within the Common Areas and within the front and side yards of the Lots, and (iii) the mulching of flower beds installed by the Declarant or the Association in the Common Areas and in the front and side yards of the Lots. An Owner may decline landscape Maintenance for his Lot by the Association, but there will be no reduction of such Owner's Assessments as a result of declining landscape Maintenance. To the extent that any such Owner declines landscape Maintenance for his Lot by the Association, but the Owner fails to Maintain the landscaping on his Lot at a level equal to the level of the Association's Maintenance for other Lots within the community, the Association shall have the right to resume the landscaping for the Lot in question. The Association shall be responsible for watering the grass, landscaping and shrubbery in the Common Areas, but each Owner shall be responsible for watering the grass, landscaping and shrubbery on such Owner's Lot. To the extent that (i) the Declarant has installed any landscaping, including, without limitation, trees, shrubbery and other plantings, pursuant to the requirements of approvals obtained by the Declarant for the development of the community, and (ii) the Declarant has provided an initial budget which anticipates Maintenance of all such landscaping by the Association, the Association shall not reallocate such funds designated in the budget for landscape Maintenance for any other purpose, but such funds shall be utilized by the Association solely for the Maintenance of such landscaping. It shall be the sole responsibility of the Association to Maintain all such landscaping installed by the Declarant in accordance with the requirements of the Regulatory Plans and other development approvals

for the Property, including, without limitation, the pruning (limbed to a minimum of six (6) feet), feeding, spraying, mulching, weeding and watering of all landscape materials and the replacement of same with the same types of plantings and trees in the event any of the same shall die. Each Owner shall be solely responsible for watering and Maintaining all planter boxes, flower boxes and the plantings in or on such planter boxes and flower boxes located anywhere on such Owner's Lot. To the extent that any Owner fails to water all such areas for which the Owner is responsible on a regular basis, and the Association is obligated to replace such materials which die as a result of the Owner's failure to water them on a regular basis, the Association shall have the right to levy a Special Assessment against the defaulting Owner in the same manner as a Restoration Assessment pursuant to Article V, Section 4(b) hereof. No Owner shall lock the gate to any fence or otherwise restrict access to such Owner's Lot, or place any decoration in the front or side yard of a Lot, which would interfere or impair the ability of the Association to perform its obligations under this Article IV, Section 2(c). The Association will not be responsible for Green Space Landscaping.

(d) Snow Removal; Steps, Stoops and Leadwalks. The Association will be responsible for the removal of accumulated snow and ice from the Shared Private Road, the interior private streets, the alleyways, parking areas, Common Areas walkways, sidewalks within the Property, including the Shared Private Road Improvements located on the Property (but expressly excluding the Shared Private Road Improvements which are located on the Condominium Property), stoops, steps, leadwalks and driveways to Living Units, but the Owners shall be solely responsible for the removal of snow and ice from the decks, porches, and rooftop terraces of their respective Lots and Living Units.

(e) Recreational Amenities. The Association shall be responsible for Maintaining all Recreational Amenities on the Property.

(f) Shared Mailboxes. The Association will be responsible for Maintaining those mailboxes which are shared by Owners of more than one Lot, whether such mailboxes are located on the Common Areas or on any individual Lot, except to the extent that damage to any mailbox is caused by the misuse or abuse of same by any Owner, or the Occupants of a Living Unit, or the guests, tenants or invitees of an Owner or Occupant, then such Owner shall be responsible for the costs incurred to repair such damage and the Association shall charge the costs of repair to the Owner(s) of such Lots as a Special Assessment in the same manner as a Restoration Assessment pursuant to Article V, Section 4(b) hereof.

(g) Alarm Monitoring Contract. The Association shall be responsible for keeping in effect at all times an Alarm Monitoring Contract with respect to all Living Units of more than three (3) finished levels. Every Alarm Monitoring Contract entered into by the Association shall require the Monitoring Company to enter into an Agreement for Supervised Fire System with WSSC and to provide a copy of same to the Association.

(h) Third Party Agreements. The Association shall be responsible for performing all of its Maintenance obligations set forth under any and all easement or other agreements by and between the Association (or on the behalf of the Association) and third parties, including without limitation, easements granted to utility providers and the Easement and Cost-Sharing Agreement.

Section 3. Maintenance Expenses. Except as provided below, all expenses incurred by the Association in performing the obligations of the Association pursuant to Article IV, Sections 1 and 2, including, but not limited to, reserves for the Maintenance of any such property or improvements, shall be Common Expenses of the Association. If, however, damage to the Common Areas or any improvements or facilities located therein is caused by the misuse or abuse of same by any Owner or the guests, tenants, Occupants or invitees of an Owner, then such Owner shall be responsible for the costs incurred to repair such damage and the Association shall charge the costs of repair to the Owner(s) of such Lots as a Special Assessment in the same manner as a Restoration Assessment pursuant to Article V, Section 4(b) hereof. Notwithstanding the foregoing provisions of this Article IV, Section 3, as provided for in the Master Declaration, Condominium I Association and Condominium II Association shall be responsible for reimbursing the Association for an aggregate of fifty percent (50%) of the costs incurred by the Association in Maintaining the Shared Private Road.

Section 4. Easement for Maintenance; No Obstructions. The Association, its agents, employees and contractors are hereby granted an easement for ingress and egress to, over, across and through the Lots for the purposes of performing its obligations under this Article IV, Sections 1 and 2, and the Association, and its agents, employees, and contractors shall have the right to enter any Lot, without the consent of the Owner or Occupant, to perform such obligations. No Owner shall cause or permit any furniture, furnishings, trash receptacles, objects, planters, planter boxes, potted plants, signs or other items to be placed on the Common Areas, it being understood that access to, through, over and across the Common Areas must remain unencumbered and unrestricted and unimpaired at all times.

Section 5. Personnel to Provide Maintenance Services. The Association shall engage knowledgeable persons to perform the Maintenance required to be performed by the Association hereunder, including without limitation, the service required or recommended for the repair, Maintenance and or replacement of any Storm Water Facilities, any Recreational Amenities and any other major or complex systems to be Maintained by the Association.

Section 6. Easement of Enjoyment. Subject to the provisions in this Declaration, every Owner shall have a right and non-exclusive easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, and every Member shall have a right of enjoyment to the Common Areas and the facilities thereon, as contemplated in the Regulatory Plans.

Section 7. Extent of Members' Easement. The Members' easement of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to regulate the use of the Common Areas and any facilities located within the Common Areas for the benefit of the Members, to establish Rules for the use of the Common Areas;

(b) The right of the Association to suspend the voting rights of a Member and the right of a Member to use the Common Areas or any facilities situated thereon, including, without limitation, the Recreational Amenities, (i) for any period during which any assessment against his Lot or Living Unit remains unpaid, and (ii) after notice and an opportunity for a

hearing, for a period not to exceed sixty (60) days for any infraction of its published Rules; provided, however, that the obligation of such Member to pay assessments shall continue unabated during such period of suspension of voting rights or right to utilize the Common Areas;

(c) The right of the Association to dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication, sale or transfer shall be effective without the consent of Class A Members holding at least sixty-seven percent (67%) of the votes in the Association and the consent of the Class B Member, so long as the Class B Membership shall continue to exist, and fifty-one percent (51%) of the Eligible Mortgage Holders;

(d) The right of the Association to limit the number of guests of Members utilizing the Common Areas and any facilities thereon, including, without limitation, the Recreational Amenities;

(e) The right of the Association to provide for the exclusive use by specified Owners of certain designated parking spaces within the Common Areas;

(f) The right of the Association, the Declarant, utility companies and other Owners with respect to the easements established by this Declaration;

(g) The right of the Association, in accordance with its Articles of Incorporation and Bylaws, and with the consent of Class A Members holding sixty-seven percent (67%) of the votes in the Association, and the consent of the Class B Member, so long as the Class B Membership shall continue to exist, to borrow money for the purpose of improving the Common Areas and any facilities thereon in a manner designed to promote the enjoyment and welfare of the Members and in aid thereof to mortgage any of the Common Areas and any facilities thereon;

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

(i) The right of the Declarant, as more fully set forth in Article VII of this Declaration, (A) to grant licenses, rights of way and easements for access or construction, reconstruction, Maintenance of the Property, including, without limitation, any utility lines or appurtenances, whether public or private, to any Governmental Authority, public utility, cable television franchise, the Declarant, to an owner of other property within the immediate vicinity of the Property, or to any other person, (B) to utilize reserved rights and easements, and (C) to otherwise utilize the Common Areas as it deems appropriate in connection with the development of the Property;

(j) The right of the Association, acting by and through its Board of Directors, to grant easements, licenses or other rights of use of the Common Areas and any facilities situated thereon to persons or entities that are not Members of the Association for such consideration and on such terms and conditions as the Board of Directors may from time to time consider appropriate or in the best interest of the Association or the Property;

(k) The right of the Association to be the lessee of any portion or all of the Common Areas and the right of the Association to enforce the terms of the lease with respect to such Common Areas against such property and the Owners and their guests, lessees and invitees;

(l) The right of the Association, acting by and through its Board of Directors, to transfer or convey portions of the Common Areas for purposes of adjusting the boundary lines of one or more Lots and/or the Common Areas; provided, however, that (i) such transfer or conveyance has been approved, as necessary, by applicable local Governmental Authorities, or is otherwise in conformance with applicable law, local zoning ordinances, governmental guidelines, or restrictions, (ii) such transfer shall not reduce the portion of the Property required by the Planning Board be set aside for open space at the time of the transfer, (iii) all Lots which were adjacent to Common Areas prior to such transfer remain adjacent to Common Areas after such transfer, and (iv) the adjustment shall not materially alter the Common Areas;

(m) The right of the Association to enter onto a Lot or into a Living Unit, or other improvements on a Lot, to perform Maintenance and emergency repairs or to perform the obligations of the Association set forth herein;

(n) The right of the Declarant (and its sales agents and representatives) to the non-exclusive use of the Common Areas for display and exhibit purposes, which right the Declarant hereby reserves; provided, however, that such use shall not be for a period of more than ten (10) years after the later to occur of (1) the conveyance of the Common Areas to the Association, or (2) the sale of all residential Lots within the Property, and the Declarant shall reasonably restore any damage to the Common Areas as a direct result of such use; and

(o) The right of the Association to enforce the obligations of the Members under the Master Park Potomac Governing Documents, as the same may be amended from time to time.

Section 8. Limitations. Any other provision of this Declaration to the contrary notwithstanding, the rights of the Association shall be subject to the following limitations:

(a) The Association shall have no right to suspend the right of any Owner to use any private streets and roadways located upon the Common Areas for both vehicular and pedestrian ingress and egress to and from such Owner's Lot.

(b) The Association shall have no right to suspend the right of any Owner to use any easement over the Common Areas for storm water drainage, electrical energy, water, sanitary sewer, natural gas, cable television or similar service, telephone service or similar utilities and services to the Lots.

(c) The Association shall have no right to adopt Rules which are not uniformly applicable to or uniformly enforceable against all Lots.

(d) Notwithstanding anything to the contrary set forth herein, the Association shall have no right to modify the major components of those services to be provided by the Association pursuant to Article IV, Sections 1 and 2 of this Declaration, without the consent of

Class A Members holding at least sixty-seven percent (67%) of the votes in the Association and the consent of the Class B Member, so long as the Class B Membership shall continue to exist.

Section 9. Delegation of Use. Any Member may delegate his right of enjoyment to the Common Areas and the facilities thereon to the members of such Member's family, such Member's Occupants, social invitees or contract purchasers who reside within the Property, subject to such Rules as may be established from time to time by the Board of Directors.

Section 10. Title to Common Areas. The Declarant hereby covenants that areas designated as open space, which the Declarant conveys to the Association as Common Areas, shall be free and clear of financial liens and financial encumbrances at the time of conveyance, except for those that may exist pursuant to this Declaration, the Regulatory Plans, the Master Park Potomac Governing Documents, or those obligations imposed by other existing covenants affecting the Property. In the event that a lien or encumbrance shall attach to all or a portion of the Common Areas, one or more of the Eligible Mortgage Holders shall have the right to discharge said lien or encumbrance after reasonable notice to the Association and to seek reimbursement for amounts paid to discharge the lien or encumbrance. All Common Areas and the Facilities thereon conveyed to the Association shall be owned by the Association in accordance with established phasing schedules, if any, established by the Planning Board. The Association shall accept title to any real estate or personal property offered to the Association by the Declarant. The Association may acquire, lease, hold, and dispose of tangible and intangible personal property and real property, subject to the requirements of this Declaration. The Board of Directors, acting on behalf of the Association, will accept any real or personal property, leasehold, or other property interests within the Property conveyed to it by the Declarant.

Section 11. Repair and Reconstruction of Common Areas After Fire or Other Casualty. In the event of damage to or destruction of any portion of the Common Areas covered by insurance payable to the Association as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration thereof, and shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, as appropriate. Promptly after a casualty causing damage or destruction of any portion of the Common Areas for which the Association has the responsibility of Maintenance, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged portions of the Common Areas in as good a condition as existed prior to the casualty. Such costs may include, without limitation, professional fees and premiums for such bonds as the Board of Directors may desire.

Section 12. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for Maintenance of the Common Areas, or any portion thereof, or any community facilities 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.

ARTICLE V

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors to be commenced at the time and in the manner set forth in this Article V. Each Owner of any Lot by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Association such Annual and Special Assessments, as are established herein and to pay same in the manner hereinafter provided. Where there is more than one Owner of a Lot, the Owners of a Lot shall be deemed to jointly and severally covenant and agree to pay to the Association such Annual and Special Assessments.

All such assessments, together with interest thereon and costs of collection thereof, late fees and reasonable attorneys fees, all as hereinafter provided, shall be a charge on the Lot (including all improvements thereon), and shall be a continuing lien upon the property against which each such assessment is made, subject to the requirements of the Maryland Contract Lien Act, if applicable. Each such assessment, together with interest thereon and costs of collection thereof, late fees and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and shall not pass as a personal obligation to his successors in title unless expressly assumed by them. Prior to or at the time of any conveyance of a Lot by an Owner, all liens, unpaid charges and assessments shall be paid in full and discharged. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use or waiver of the use or enjoyment of the Common Areas or any facilities located thereon, or any portion thereof, or abandonment of his Living Unit, or Lot or for the alleged failure of the Board of Directors or the Association to fulfill any of its obligations under this Declaration.

Section 2. Method of Assessment. All assessments shall be levied by the Association against Lots and collected and disbursed by the Association. The Board of Directors shall fix the amount of the assessments as provided hereinafter and set the dates on which such assessments shall become due.

Section 3. Annual Assessments.

(a) Purpose. The Annual Assessments shall be comprised of two components, as follows:

(i) One component (the "**Base Annual Assessment**") shall be based upon the Association's operating costs and the Association's obligations to promote the health, safety, and welfare of the Members of the Association as a whole and in particular to improve, Maintain, and operate the Common Areas and facilities therein, and the Association's other obligations under this Declaration.

The Base Annual Assessment is intended to cover the following:

(A) The cost of all Common Expenses and all operating expenses of the Common Areas and facilities thereon, including the services furnished to or in connection with the Common Areas and charges by the Association for any services furnished by it.

(B) The cost of necessary management and administration of the Common Areas, including fees paid to any management agent.

(C) The amount of all taxes and assessments levied against the Association or upon the Common Areas.

(D) The cost of fire, if any, and extended liability insurance on the Common Areas and facilities thereon, and the cost of such other insurance as the Association may effect with respect to the Common Areas.

(E) The costs of utilities and other services which may be provided by the Association, including, without limitation, the fees payable to the Monitoring Company under the Alarm Monitoring Contract, site security (if the Board of Directors elects to include such security) and trash removal and recycling, to the extent that such services may be provided by the Association.

(F) The cost of Maintaining all exterior areas which are expressly described in this Declaration as the Association's responsibility, whether designated as Common Areas or Lots, (including, without limitation, the Shared Private Road) and the cost of Maintenance of all facilities on the Common Areas, and the cost of Maintenance of such items as the Association is expressly responsible for as described in this Declaration, whether located on the Common Areas or the Lots, in the manner that the Board of Directors shall determine to be necessary and proper in connection therewith.

(G) The cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for repair and replacements of the Common Areas and the facilities located therein.

(H) The implementation, administration, and enforcement of this Declaration, including, but not limited to, court costs and attorney's fees.

(ii) The second component (the "**Master Association Assessment**") shall be based upon the obligations of the Members of the Association to the Master Association. The Master Association Assessment is intended to cover the following:

(A) The amount of all assessments levied by the Master Association against the Members of the Association (other than default, delinquency or late charges assessed against individual Members of the Association, or assessments for damage caused by an individual Member or its Occupants, guests or invitees), including, without limitation, the fees and assessments payable pursuant to the Master Park Potomac Governing Documents for the maintenance of the Master Common Areas and Public Road Landscaping.

(B) The Master Association has entered into, or may hereafter be required to enter into, one or more agreements with the Maryland State Highway Administration ("MSHA") with respect to the Maintenance of the Master Storm Water Management Facilities located near the intersection of Interstate 270 and Montrose Road. Such agreements require, or may require, the Master Association to reimburse MSHA for costs incurred by MSHA in connection with the maintenance of such Master Storm Water Management Facilities. In the event that MSHA assesses the Master Association for the cost of such maintenance, the Association shall be obligated to reimburse the Master Association for a portion of such costs as set forth in the Master Declaration, in which event, such costs borne by the Association shall be included in the Master Association Assessment.

(b) Basis for Assessment.

(i) There shall be three (3) classes of assessable Lots, which shall be assessed as follows:

(A) Class I Lots: All Lots on which Living Units have been constructed and which are not Class II Lots or Class III Lots.

(B) Class II Lots: All Lots on which the MPDUs have been constructed and conveyed by the Declarant to Class A Members and as to which Lots the MPDU Covenants continue to exist (i.e., during the Control Period for each MPDU). At such time as the Control Period ends with respect to an MPDU, then the Lot on which such MPDU was constructed shall become a Class I Lot.

(C) Class III Lots: All Lots owned by the Class B Member on which Living Units have been constructed, but which have not been initially occupied by a Single Family, and all Lots owned by the Class B Member on which Living Units have not been constructed or construction has not been completed.

(ii) The Annual Assessment rate applicable to each Class I Lot shall be calculated as follows: Divide the total annual budget prepared in accordance with the provisions of Article V, Sections 3(d) and (e) hereof by the sum of (A) the number of Class I Lots plus (B) the product of the number of Class II Lots multiplied by 2/3).

(iii) During the Control Period with respect to a MPDU, the Annual Assessment applicable to such Class II Lot shall be equal to 0.67 multiplied by the Annual Assessment rate applicable to each Class I Lot as set forth in the immediately preceding clause (ii). At such time as the Control Period ends with respect to a MPDU, then the Lot on which such MPDU was constructed will become a Class I Lot and the Annual Assessment applicable to such Lot shall be as set forth in the preceding clause (ii) above.

(iv) Class III Lots shall not at any time be subject to any Annual Assessments, Special Assessments, fees or other charges levied by the Association, and the Class B Member shall have no obligation whatsoever to pay any such Annual Assessments, Special Assessments, fees or other charges. In consideration for its exemption from all Annual Assessments, Special Assessments, fees and charges, the Class B Member hereby covenants and agrees for the benefit of the Class A Members to provide funds to cover all "operating

budget deficits" (as defined below) incurred by the Association during the "Deficit Period" (as defined below) in furtherance of the Association's purposes; provided, however, that at no time shall the obligation of the Class B Member during any fiscal year exceed one hundred percent (100%) of the Annual Assessments, Special Assessments, fees and other charges that would have been applicable to the Class III Lots during such fiscal year had they been classified as Class I Lots not owned by the Class B Member. For purposes of this Section, an **"operating budget deficit"** shall be deemed to exist if, in any given fiscal year of the Association, the income received by the Association, plus all accumulated working capital, minus operating expenses and reserve transfers, does not provide sufficient funds to operate the Association; provided, however, that the Class B Member shall have no obligation to fund any operating budget deficit to the extent that such deficit is caused by or results from (A) the failure of the Members (other than the Class B Member) to make timely payment of any installment of the Annual Assessments, Special Assessments, fees and/or other charges levied by the Association in accordance with this Declaration; or (B) any extraordinary cost or expense incurred by the Association, including, without limitation, any capital expense which is not included as part of the original annual budget for that fiscal year, and any cost or expense incurred by the Association that results from acts of God, fire, earthquake, flood, explosion or other natural catastrophes, or that results from hazardous environmental conditions or substances. As used herein, the term **"Deficit Period"** shall mean that period of time commencing on the date of recordation of this Declaration and ending on the earlier of (x) the date on which the Class B membership lapses and becomes a nullity in accordance with the provisions of this Declaration; or (y) the date upon which the Class B Member declares in writing that it waives its right to the exemption from payment of Annual Assessments, Special Assessments, fees and other charges. The Class B Member may make such declaration with respect to less than all of the Class III Lots owned by the Class B Member or to be brought within the jurisdiction of the Association, in which event the Deficit Period shall terminate only with respect to those Class III Lots specifically described. At the option of the Declarant, the Class B Member shall remain exempt from payment of Annual Assessments even after conversion to Class A Membership, until the occupancy of the Living Units located on each Lot, provided that the Class B Member funds any operating budget deficits as provided in this Section.

(c) Rate of Assessment; Initial Maximum Annual Assessment.

(i) Except as otherwise provided in this Declaration, both Annual Assessments and Special Assessments shall be fixed at a uniform rate for all Class I Lots, and both Annual Assessments and Special Assessments shall be fixed at a uniform rate for all Class II Lots; provided, however, in the case of certain events in the event that the actions or activities of any Owner causes or results in increased expenses for the Association, the Board of Directors may assess such increase in expenses against the Owner and such Owner's Lot as a Special Assessment (whether or not a MPDU is constructed on such Lot), after notice to such Owner and an opportunity for a hearing. For example, and for purposes of illustration only, the Board of Directors may assess the amount of any insurance deductible paid by the Association against any Owner and such Owner's Lot if the Association is required to pay such deductible as a result of the misuse or neglect of the Owner. Such assessment shall be a lien against the Owner's Lot and shall be payable and collectible in the same manner as any other assessments required to be paid to the Association; provided, however, that the Declarant shall not be subject to any assessment based upon this provision.

(ii) Until the first day of the fiscal year following commencement of Annual Assessments, the maximum Annual Assessments applicable to each Class I Lot shall be Three Thousand Nine Hundred Thirty Dollars (\$3,930.00), and the maximum Annual Assessment applicable to each of Class II Lot shall be Two Thousand Three Hundred Forty Dollars (\$2,340.00) (except as otherwise provided in this Declaration with respect to Lots owned by the Declarant).

(iii) At such time as the Control Period expires as to a MPDU, the Lot on which such MPDU is constructed shall become a Class I Lot and the rate of assessment applicable to such former Class II Lot shall thereafter be equal to the rate of assessment applicable to a Class I Lot. When the Control Period has expired as to all MPDUs, then there will no longer be any Class II Lots and all Class I Lots shall be assessed at one hundred percent (100%) of the Annual Assessment rate.

(d) Association Budget; Method of Assessment. The Board of Directors shall make a reasonable effort to prepare, or to cause to be prepared, at least thirty (30) days before the beginning of each fiscal year of the Association, an annual operating budget for the Association which shall provide, without limitation, for the management, operation and Maintenance of all Common Areas and other areas for which the Association is responsible (if any) and to meet the other responsibilities of the Association, as well as the obligations of the Association under the Easement and Cost-Sharing Agreement. Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital (available cash for day-to-day expenses which is otherwise uncommitted), the reserve fund(s) (in accordance with a reserve fund budget separately prepared by the Board of Directors pursuant to Article V, Section 3(e) hereof), and sufficient funds to meet the assessment obligations of the Association and its Members and to the Master Association. The amount allocated by the Declarant in the initial operating budget for the Maintenance of the landscaping as contemplated by the approvals obtained by the Declarant for the construction of the improvements on the Property shall not be reallocated or used for any other purpose without the prior written consent of the Declarant until the later of (A) three (3) years following the date of recordation of this Declaration, or (B) such time as all Maintenance obligations of the Declarant set forth in the Regulatory Plans, or in any agreement with the County or any other Governmental Authority, shall have expired and the Common Areas have been conveyed to the Association.

(ii) The annual budget prepared by the Board of Directors shall include a separate annual budget for the Maintenance of the Shared Private Road (the "**Shared Road Operating Budget**"), including, without limitation, the operation, Maintenance (including snow removal), repair and replacement (as necessary) of the Shared Private Road (the "**Shared Private Road Costs**"). As provided in the Master Declaration, the Board of Directors shall prepare a Shared Road Operating Budget at least thirty (30) days before the beginning of each calendar year setting forth the estimated total Shared Private Road Costs for the coming calendar year. All such Shared Road Operating Budgets adopted by the Board of Directors following the first calendar year, or portion thereof, shall be based upon the actual Shared Private Road Costs incurred by for the Maintenance of the Shared Private Road in the preceding calendar year, adjusted as reasonably necessary to reflect anticipated actual costs to be incurred for the coming calendar year; provided, however, that reserve contributions shall

be determined based upon the projected life expectancy and projected costs associated with the periodic maintenance, repair and replacement of the Shared Private Road. The Board of Directors shall cause a copy of its Shared Road Operating Budget, and the estimated Shared Private Road Costs, to be delivered to the Condominium I Association and the Condominium II Association (each, a "**Condominium Association**") at least twenty (20) days prior to the commencement of each calendar year. In accordance with the Master Declaration, the Shared Private Road Costs to be assessed against a Condominium Association which do not exceed one hundred twenty five percent (125%) of the Shared Private Road Costs assessed against that Condominium Association in the immediately preceding year shall be payable upon such date as determined by the Board of Directors. Shared Private Road Costs to be assessed against a Condominium Association which exceed one hundred twenty five percent (125%) of the Shared Private Road Costs assessed against that Condominium Association in the immediately preceding year (the "**Increased Assessments**") shall not be payable unless approved by such Condominium Association, which approval shall not be unreasonably withheld or delayed. The Condominium Association shall notify in writing the Board of Directors of its approval or disapproval of the Increased Assessments within fifteen (15) days after the Shared Road Operating Budget containing the Increased Assessments shall be delivered by the Board of Directors. In the event a Condominium Association fails to so notify the Board of Directors of its approval or disapproval of the Increased Assessments within fifteen (15) days after the Shared Road Operating Budget containing the Increased Assessments has been delivered as aforesaid, the Board of Directors shall have the right to provide the non-paying Condominium Association with a second notice of the Increased Assessments and, in the event the Condominium Association fails to respond with its approval or disapproval of the Increased Assessments within seven (7) days of actual delivery of such second notice, the approval of the non-responding Condominium Association shall be deemed to have been given. The Condominium Association is obligated to pay to the Association its share of the Increased Assessments no later than the date that the Condominium Association approves (or is deemed to approve) the Increased Assessments. In the event that a Condominium Association disapproves the Increased Assessments or the Board of Directors fails for any reason to determine the Shared Road Operating Budget for any calendar year, then and until such time as a Shared Road Operating Budget shall have been determined and agreed upon as provided herein, the Shared Road Operating budget in effect for the previous calendar year shall continue for the then current calendar year, adjusted as reasonably necessary to reflect anticipated actual costs to be incurred for the coming calendar year. Any amendments to a Shared Road Operating Budget proposed by the Board of Directors during any calendar year shall be subject to approval by each Condominium Association in accordance with the foregoing; provided, however, that amendments to the Shared Road Operating Budget and the Shared Private Road Costs to be assessed against a Condominium Association pursuant to such amendment shall not require the approval of any Condominium Association if based upon actual Shared Private Road Costs incurred as a result of unanticipated events. The owners of the Condominium Property subject to the Condominium I Association shall be responsible for the payment to the Association of an aggregate sixteen and one half percent (16.5%) of all Shared Private Road Costs, and the owners of the Condominium Property subject to the Condominium II Association shall be responsible for the payment to the Association of an aggregate thirty three and one half percent (33.5%) of all Shared Private Road Costs.

(iii) By a vote of at least two-thirds of the Board of Directors, the Directors shall fix the Annual Assessments to be collected annually at an amount sufficient to meet the obligations imposed by the Declaration and any Supplementary Declarations; provided, however, that so long as the Control Period exists with respect to any MPDU, the manner in which the Annual Assessment rate applicable the Class I Lots and the Class II Lots shall not be amended so long as any Class II Lots shall exist without (A) the consent of a majority of the Owners of the Class II Lots and (B) the consent of the Class B Member, so long as the Class B membership shall continue to exist. The Board of Directors shall make reasonable efforts to fix the amount of the Annual Assessments against each Lot for each assessment period at least thirty (30) days in advance of the commencement of such period. The Board of Directors shall prepare a roster of the Lots and the Annual Assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any Owner upon Registered Notice to the Board of Directors. The Board of Directors shall cause a copy of the budget and written notice of the Annual Assessments levied against each Lot for the following year to be sent to all Members of the Association at least fourteen (14) days prior to the commencement of the new Annual Assessments.

(iv) The annual budget and the new Annual Assessments shall become effective as to all Living Units unless a special meeting of the Association is duly held and at such special meeting the budget and the new Annual Assessments are disapproved by a vote of Class A Members entitled to cast not less than sixty-seven percent (67%) of the votes in the Association present, and the Class B Member, so long as the Class B Membership shall continue to exist, in person or by proxy, and voting at such meeting; provided, however, that the percentages of the Annual Assessment rate applicable the Class I Lots and the Class II Lots shall not be amended so long as any Class II Lots shall exist without (A) the consent of a majority of the Owners of the Class II Lots and (B) the consent of the Class B Member, so long as the Class B membership shall continue to exist. Notwithstanding the foregoing, however, in the event the membership disapproves the budget, or the Board of Directors fails for any reason, before the expiration of any assessment period, to determine the budget for any fiscal year of the Association and fix the amount of the Annual Assessments hereunder for that or the next period, such disapproval or failure to adopt the budget or determine the amount of the Annual Assessments shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any Member from the obligation to pay Annual Assessments, or any installment thereof, for that or any subsequent assessment period, but the budget then in effect and the Annual Assessments fixed for the preceding fiscal year shall continue until the new budget is determined and the new Annual Assessments are fixed.

(e) Reserve Fund Budget and Contribution. The Board of Directors shall annually prepare a reserve fund budget which shall take into account the number and nature of the replaceable assets of the Association (including, without limitation, the Common Areas and the facilities thereon), the expected life of each asset, and the expected renovation, repair or replacement cost of each asset with a useful life of less than fifty (50) years, and contingencies (potential costs or liabilities which have not been incurred but which should be planned for) and insurance deductibles. The Board of Directors shall set the required reserve fund contribution, if any, in an amount sufficient to meet the projected reserve needs of the Association, as shown on the reserve fund budget, with respect both to amount and timing by the imposition of Annual Assessments over the period of the budget. The reserve fund contribution shall be fixed by the

Board of Directors and included within the budget and Annual Assessments. Such reserve fund contribution shall be payable as part of the Annual Assessments, applicable to all Lots [except as otherwise provided with respect to Lots owned by the Class B Member in Article V, Section 3(b)(iii)], to the extent such reserve fund will be utilized to replace assets which are determined by the Board of Directors to benefit substantially all Owners. A copy of the reserve fund budget shall be distributed to each Owner in the same manner as the operating budget.

(f) Notice of Meeting. Written notice of any meeting of the Board of Directors called for the purpose of determining a new budget (or an amendment to the budget which will result in an increase or decrease of more than fifteen percent (15%) of approved annual budget) and the new Annual Assessments as provided in Article V, Section 3(d) hereof, or for the purpose of establishing a Special Assessment in accordance with Article V, Section 4 hereof, shall be sent to all Members not less than thirty (30) days in advance of such meeting.

(g) Date of Commencement of Annual Assessments. The first Annual Assessments provided for herein shall commence upon the date of the conveyance of the first Lot to an Owner other than the Declarant. The first installment of such Annual Assessment shall be made by each Class A Member for the balance of the quarter during which the deed of conveyance is delivered to such Class A Member and shall become due and payable and a lien on the Lot on the date a deed for the Lot is delivered to the Class A Member.

(h) Payment of Annual Assessments. The Annual Assessments, when assessed for each year, shall become a lien on the Lot for the entire Annual Assessment, but shall be payable in monthly installments equal to one-twelfth (1/12th) of the Member's proportionate share of the Annual Assessment payable by such Member. 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 a monthly basis.

(i) No Waiver. No Member may escape or exempt himself from liability for Annual Assessments, Special Assessments or any other assessments by abandonment of any Living Unit or Lot belonging to him or by the non-use or waiver of use and enjoyment of the Common Areas or the facilities thereon (including the Recreational Amenities), or the facilities which are owned by the Master Association, or for the alleged failure of the Board of Directors or the Association to fulfill any of its obligations under this Declaration.

(j) Surplus and Deficit. If any amount accumulated in excess of the amount required for actual expenses as set forth in Section 3(a) above and reserves established by the Board of Directors for working capital, replacements and contingencies, shall exist at the end of any fiscal year of the Association, then at the next annual meeting of the Association, the Members shall determine, by an affirmative vote of Class A Members holding at least fifty-one percent (51%) of the votes in the Association, who are present and voting in person or by proxy, and the Class B Member, so long as the Class B Membership shall continue to exist, on whether such surplus funds shall: (i) be placed in reserve accounts, (ii) be placed in a special account to be expended solely for the general welfare of the Owners, (iii) be credited to the next periodic installment of Annual Assessments due from Owners under the current fiscal year's budget, until exhausted, (iv) be distributed to each Owner (including the Declarant) in proportion to the percentage (if any) of Annual Assessments paid by such Owner, or (v) be used to adjust the

budget for the succeeding fiscal year to amortize the deficit from any preceding fiscal year. If there is a deficit in any fiscal year, the Board of Directors may levy a Special Assessment to cover such deficit.

Section 4. Special Assessments. In addition to the Annual Assessments authorized in Article V, Section 3 above, the Association may levy a Special Assessment or Special Assessments applicable to that year for such purposes as the Board of Directors may deem appropriate, including, without limitation, one or more of the following Special Assessments:

(a) Capital Improvement Assessment. The Association may levy in any assessment year a Special Assessment against Lots, applicable to that year and payable over not more than the next three (3) succeeding years, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, or other specified purpose primarily for the Maintenance and upkeep of the Common Areas; provided, however, that any such Special Assessment for a capital improvement upon the Common Areas shall require the affirmative vote of (i) Class A Members entitled to cast not less than sixty-seven percent (67%) of the votes in the Association, who are present and voting in person or by proxy, at a meeting of the Association duly called for such purpose within sixty (60) days of promulgation of the notice of the Special Assessment at which a Quorum of Members is present, and (ii) the Class B Member, if the Class B membership has not ceased to exist. A vote of all Class A Members entitled to cast not less than sixty-seven percent (67%) of the votes in the Association who are present and voting, in person or by proxy, at a meeting of the Members duly called for such purpose in accordance with the provisions of the Bylaws within sixty (60) days of promulgation of the notice of the Special Assessment, shall rescind or reduce the Special Assessment. No Director or officer of the Association shall be liable for failure to perform his fiduciary duty if a Special Assessment for the funds necessary for the Director or officer to perform his fiduciary duty is rescinded by the Members, and the Association shall indemnify such Director or officer against any charges resulting from any claimed breach of fiduciary duty arising therefrom.

(b) Restoration Assessment. The Association may levy a Restoration Assessment upon any Lot whose Owner fails to Maintain such Lot as provided in this Declaration, or who fails to provide such Maintenance funds as may be required by any Supplementary Declaration. Restoration Assessments shall be limited to the amount necessary to meet the cost of restoration or deficiency in required funds and all costs of collection, including the costs of administering such Restoration Assessment. Such a Special Assessment may be levied upon the vote of the Board of Directors after notice to the Owner and an opportunity for a hearing before the Board of Directors.

(c) Utility Assessments. To the extent that there are any utilities which serve more than one Living Unit, but not all of the Living Units, and such utilities are billed to the Association, the Association will levy a Special Assessment against those Lots for which such utilities are provided for the purpose of paying the entire bill, with each Lot being assessed an equal share of such invoice. Each such assessment shall be due and payable upon receipt of the invoice from the Association.

(d) Master Association Special Assessments. To the extent that there are any special assessments which are levied by the Master Association against the Association (or all of its Members), or the Property, the Association will levy a Special Assessment against all Lots to meet the obligation of the Association (and all of the Members of the Association) to the Master Association. Each such assessment shall be due and payable by an Owner upon receipt of the invoice from the Association.

Section 5. Effect of Nonpayment of Assessments; Remedies of the Association.

(a) Notice of Default; Interest; Late Charges; Remedies. Any installment of any Annual Assessment or Special Assessment not paid within fifteen (15) days after the due date shall be delinquent and shall bear interest from the due date until paid at a rate determined by the Board of Directors, up to the maximum rate of interest permitted under the laws of the State of Maryland. The Association or the Management Agent at the request of the Board of Directors, shall provide Notice of such delinquency and may, at its option (i) charge a reasonable late fee in an amount equal to ten percent (10%) of the delinquent installment or such other amount as may be set by Board of Directors against any Owner (and/or such Owner's Lot) who is more than fifteen (15) days delinquent in the payment of any installment of any Annual Assessment or Special Assessment; and (ii) upon Registered Notice to the Owner of the Lot, suspend the right of such Owner to vote and such Owner's right (and the right of any Occupant of the Living Unit, if applicable) to use the Common Areas until the assessment, accrued interest, penalties and costs of collection are paid in full.

(b) Acceleration of Installments. Upon default in the payment of any one or more installments of any Annual Assessment or Special Assessment levied pursuant to this Declaration, 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.

(c) Actions Against Owners. The Association may also bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Lot (and all improvements thereon) provided the provisions of the Maryland Contract Lien Act, if applicable, are substantially fulfilled. The Owner shall also be obligated to pay all attorneys' fees, court costs and administrative costs incurred in connection with the collection of assessments if not paid when due. The remedies under this Article V, Section 5 shall not be deemed to limit or waive, and shall be without prejudice to, any and all rights, remedies, or recourses as may be available to the Association for non-payment of assessments.

(d) Priority of Lien; Subordination of the Lien to First Mortgages. Once perfected, the lien for assessments provided for herein shall be prior to all other subsequent liens and encumbrances except (i) real estate tax liens on the Lot, (ii) liens securing First Mortgagees, (iii) encumbrances recorded prior to the recordation of this Declaration, and (iv) sums unpaid on and owing under any First Mortgage recorded prior to the perfection of said lien. The lien evidenced hereby shall bind the Lot(s) and Living Unit(s) herein described in the hands of the then Owner or Occupant thereof, his heirs, devisees, personal representatives, and the personal obligation of the Member to pay such assessment shall, in addition, remain his personal obligation for the statutory period. In the event any proceeding to foreclose the lien for any assessment due the Association pursuant to this Article is commenced with respect to any Lot in

the Property, then the Owner of such Lot, upon resolution of the Board of Directors, may be required to pay reasonable rental for the Living Unit on the Lot and the Association shall be entitled to the appointment of a receiver to collect the same.

Notwithstanding any other provision of this Declaration to the contrary, the lien of any Annual Assessment or Special Assessment levied pursuant to this Declaration upon any Lot, as in this Article provided, shall be subordinate to the lien of any First Mortgage and shall in no way affect the rights of any First Mortgagee; provided, however, that such subordination shall apply only to those assessments, or installments thereof, which have become due and payable prior to a sale or transfer of the Lot pursuant to a foreclosure of such First Mortgage, or any deed, assignment or in any other proceeding or arrangement in lieu of foreclosure. Such sale, foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not, however, relieve the mortgagee in possession or the purchaser at any foreclosure sale from liability for any assessments thereafter becoming due, or from the lien of any such subsequent assessments, which 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 any First Mortgagee on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or of 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.

(e) 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 First Mortgage (or the indebtedness secured thereby); but failure to include such a provision in any such First Mortgage shall not affect the validity or priority thereof and the protection extended to the holder of such First Mortgage (or the indebtedness secured thereby) by reason of Section 5(d) of this Article V shall not be altered, modified or diminished by reason of such failure.

(f) Remedies Cumulative. No remedy reserved to the Association herein is intended to be exclusive of any other remedy or remedies, and each and every remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity or by statute.

(g) Collection Costs. If default is made in the payment of any assessment payable hereunder, then the Owner who is so delinquent shall pay to the Association, upon demand, all costs of collection, including the Association's attorney's fees, whether suit is brought or not.

(h) Prepayment. Any Member may prepay one or more installments on any Annual Assessment levied by the Association, without penalty or interest, and without discount, but such prepayment shall not relieve any Class A Member for increases in the Annual

Assessment which may become due and payable during the period for which the prepayment was made.

(i) Assessment Certificates. The Association shall, upon request 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 or agent of the Association, or designee thereof, 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 reasonable charge may be levied in advance by the Association for each certificate so delivered.

Section 6. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein: (a) all properties to the extent dedicated and accepted by a public authority and devoted to public use; (b) all Common Areas; and (c) all properties exempted from taxation by the County or any other political subdivision having jurisdiction over the Property upon the terms and to the extent of such legal exemption, provided that no property utilized for residential purposes shall be exempt.

Section 7. Working Capital Fund. At the time of the conveyance of each Lot which is improved by a Living Unit to an Owner, each such Owner shall pay to the Association a non-refundable one-time contribution to the Association's working capital fund in an amount equal to two times one-twelfth the Annual Assessment applicable to such Lot. The Association's working capital fund shall be used for the initial and forthcoming expenses of the Association. In addition, each Owner may be required to pay to the Master Association a non-refundable one-time contribution to the Master Association's working capital fund, if established, in an amount equal to two times one-twelfth of the Master Association Assessment applicable to such Lot.

ARTICLE VI

USE OF PROPERTY

Section 1. Permitted Uses.

(a) Living Units. All Living Units shall be used for private residential purposes exclusively, and may not be used for any commercial or business activities, and no Living Unit shall be used as a "family day care home" (as such term is defined in the Real Property Article of the Annotated Code of Maryland, Section 11B-111.1); or a "child day care facility," a "domiciliary care home," a "group home," a "medical or dental clinic," or a "boardinghouse" (as such terms are defined in the Montgomery County Code Zoning Ordinance, Chapter 59, Article 59-A). Notwithstanding the foregoing, to the extent permitted by the County, a professional office for a "no-impact home-based business" (as defined in the Real Property Article of the Annotated Code of Maryland, Section 11B-111.1) or a "no-impact home occupation" (as defined in the County Zoning Ordinance, Chapter 59, Article 59-A) may be maintained in a Living Unit, provided that (i) such office or business is limited to a person actually residing in the Living Unit; (ii) such "no-impact home-based business" or "no-impact

home occupation" shall not be conducted on or adversely impact the Common Areas (including, without limitation, the Shared Private Road, the private streets, access aisles, and parking areas), nor adversely impact the access to or parking for any other Lots, and parking shall be in compliance with the provisions set forth in this Declaration, (iii) the hours of operation of such professional office or business shall be limited to Monday through Friday, 8:00 a.m. to 6:00 p.m., and Saturday, 9:00 a.m. to 5:00 p.m., with no hours of operation on Sunday, (vi) the Maintenance and use of such "no-impact home-based business" or "no-impact home occupation" shall not disturb any other Owner's quiet enjoyment of his or her Living Unit, (v) such operation, Maintenance, use and signage of a "no-impact home-based business" or "no-impact home occupation" shall be in strict conformity with the provisions of any applicable Laws, including, without limitation, all applicable zoning laws, ordinances, or regulations, and the Park Potomac Architectural Guidelines (if applicable) and shall be subject to approval by the Architectural Review Board, (vi) the Owner conducting such "no-impact home-based business" or "no-impact home occupation" shall obtain and maintain at all times all permits and licenses necessary to conduct such office or business, and (vii) the Owner shall notify the Association of such use, in writing, at least thirty (30) days prior to the opening of the "no-impact home-based business" or "no-impact home occupation", which notice shall include a detailed description of the proposed "no-impact home-based business" or "no-impact home occupation" use and the hours of operation and a copy of the required permit, if any, issued by the appropriate Governmental Authority to the Owner.

(b) Garages. All garages, whether included within a Living Unit or constructed separately shall be used solely for the purposes of parking and storing of vehicles, and no garage shall be used for residential or office purposes or for other storage purposes, except by the Declarant as provided in Article VI, Section 1(c) hereof. During the period October 1 through March 30 of each calendar year, each Owner must keep the door of the garage of his/her Living Unit closed at all times, except when entering or exiting the garage, to prevent damage to the Supervised Fire System which may be caused by inclement weather.

(c) Exemption for Declarant. Nothing contained in this Article, or elsewhere in this Declaration, shall be construed to prohibit the Declarant from the use of any Lots, Living Units or garages for promotional, marketing, display or customer service purposes, or as "model homes", a sales office, construction office, management office, or any other lawful purpose. The Declarant may assign its rights under this section to, or share such rights with, one or more other parties, exclusively, simultaneously or consecutively with respect to Lots, Living Units or garages owned or leased by the Declarant or such assignees of the Declarant.

Section 2. Protective Covenants. Except for the activities of the Declarant during construction and development of the Property:

(a) Nuisances; Noise. No nuisance shall be permitted to exist or operate upon the Property, or any portion thereof, so as to jeopardize property values or be detrimental to the well-being of the Members. There shall be no emissions of dust, sweepings, dirt, cinders, odors, gases or other substances into the atmosphere (other than normal residential chimney emissions), no production, storage or discharge of hazardous wastes on the Property or discharges of liquid, solid wastes or other harmful matter into the ground or any body of water, if such emissions, products, storage or discharge may adversely affect the use or intended use of any portion of the

Property or may adversely affect the health, safety or comfort of any person. No waste nor any substance or materials of any kind shall be discharged into any public sewer serving the Property or any part thereof in violation of any regulation of any public body having jurisdiction over such public sewer. No Owner shall cause or permit any unreasonable loud noise (except for devices used solely for security purposes) anywhere on the Property, and in that regard, no speaker, horn, whistle, siren, bell or other sound device, except for such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any improvements. No portion of the Property shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth. No skateboarding shall be permitted on any portion of the Property.

(b) Restriction on Further Subdivision. No Lot upon which a Living Unit has been constructed shall be further subdivided or separated into smaller Lots by any Owner, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by an Owner, provided that this shall not prohibit deeds of correction, deeds to resolve boundary line disputes and similar corrective instruments, and easements to public agencies or authorities or for utilities; and further provided that the Declarant shall have the unilateral right, without the consent of any other party, to resubdivide Lots owned by the Declarant. The provisions of this subsection shall not be deemed to preclude any Owner from granting an easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, to serve necessary public purposes, or from dedicating or conveying a portion of such Owner's Lot for such purposes.

(c) Leasing. Any lease or rental agreement for the lease of a Lot and the improvements thereon shall be in writing and shall be subject to the conditions, restrictions and requirements of this Declaration; and any lease with respect to a MPDU shall also be subject to the requirements set forth in the MPDU Covenants. A Lot, together with the Living Unit thereon, may be leased in its entirety, but no Lot and Living Unit, may be leased or rented separately, and no portion of a Lot or Living Unit may be leased or rented separately, and in that regard, roomers and boarders are expressly prohibited. Any permitted lease shall be for a period of not less than thirty (30) days and the initial term of such lease shall be for a minimum period of one (1) year. No subleasing will be permitted. All leases shall (i) contain provisions advising the tenant of his or her obligation to comply with all provisions of this Declaration, the Bylaws and the rules and regulations of the Association, and (ii) provide that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, the Bylaws or rules and regulations of the Association, or of any other document, agreement or instrument governing the Property. The Owner of a leased Lot shall notify the Association in writing of the Owner's current address and the name of each tenant and/or subtenant of the Living Unit on such Lot. The Owner of a leased or rented dwelling unit shall be jointly and severally liable with his or her tenant(s) to the Association to pay any claim for injury or damage to persons or property caused by any action or omission, including, without limitation, the negligence of the tenant(s). Every lease shall be subordinate to any lien filed by the Association, whether before or after such lease was entered into. The Board of Directors may suggest or require a standard form of lease or certain standard form language to be incorporated into any lease agreement to be used by Owners for the leasing of Living Units in order to assure compliance with the terms, conditions, covenants, restrictions, rules and

regulations under this Declaration. Each Owner shall, promptly after entering into any lease of a Living Unit, forward a photocopy of the lease to the Board of Directors.

(d) Conditions for Architectural Control. No improvements, alterations, repairs, excavations, changes in grade or other work which in any way alters the exterior of any Lot or Common Areas or the improvements located thereon from its natural or improved state, existing on the date such property was first subjected to this Declaration [or such improvements approved pursuant to the Regulatory Plans or any other zoning approvals issued by the County or other Governmental Authority (including Regulatory Plans and architectural drawings included therewith), as amended from time to time], shall be made or done without the prior approval of the Architectural Review Board, and any other Governmental Authority, if required, as provided in Article III, Section 4 of this Declaration. In furtherance of the foregoing, no building, residence, or other structure, fence, wall, deck, patio, balcony, porch, rooftop terrace, window, storm door, or window or door security bars or other improvements or structures, shall be commenced, erected, maintained, improved, altered, made, or done on such property without the prior written approval of the Architectural Review Board. No bay window, deck, patio, balcony, rooftop terrace or porch, other than those approved as part of the Regulatory Plans or other zoning approvals for the Property (issued by Montgomery County), nor any bay window, deck, patio, balcony, rooftop terrace or porch, if any, larger than that shown on the approved Regulatory Plans and Park Potomac Architectural Guidelines (if applicable) for the Property shall be constructed without the prior written consent of the Architectural Review Board; and no changes of paint colors on the exterior of any Living Unit, and no alteration of any portion of a Living Unit, which alteration of the Living Unit shall be visible from the exterior of the Living Unit shall be made, or on any other improvements on a Lot, or on improvements in the Common Areas, shall be made without the prior written approval of the Architectural Review Board. It shall also be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, screens, awnings, flags (other than official flags of the United States of America which do not exceed 24 square feet in size), flagpoles, banners, patio, deck, porch or balcony covers, walls, slabs, sidewalks, curbs, gutters, driveways, or to combine or otherwise join two (2) or more Living Units, or to partition same after combination, or to remove or alter any windows and exterior doors of any Living Units, without the prior written consent of the Architectural Review Board, all in accordance with Article III, Section 4 of this Declaration. Furthermore, no improvements of any kind shall protrude or encroach beyond the boundary line of any Lot, except as shown on the Regulatory Plans or as initially constructed by the Declarant. No Owner may remove any planter boxes installed by the Declarant on the Property, including any planter box, decorative trellis or rails installed within the Common Areas or on any Lot. In the event that the Architectural Review Board determines that any interior window treatments adversely affect the general exterior appearance of the Living Units or are not otherwise in conformance with the architectural standards promulgated by the Architectural Review Board for window treatments, the Architectural Review Board shall have the authority to require the removal of such window treatments.

(e) Fences; Walls. No fences or walls shall be constructed upon the Property other than those initially installed in the construction of the improvements as shown on the Regulatory Plans, or replacements of such fences or walls in the same manner as initially constructed by the Declarant. All Cheek Walls, Retaining Walls, Screening Walls, party walls, and fences which are initially installed by the Declarant on one or more Lots or on the Common

Areas shall be perpetually Maintained, and any replacements of such Cheek Walls, Retaining Walls, Screening Walls and fences shall be of similar material and style as initially installed. No fences shall be installed in the front yards of any Lots (i.e., they may not extend forward of the rear building line of the Living Unit on the Lot upon which any such fence is erected). Chain link and other wire fencing is specifically prohibited for any fencing on the Property. No gate which provides access to the front, rear or side yard of a Lot shall be locked or blocked in a manner which will prevent or interfere with readily available access to the front, rear or side yard of such Lot.

(f) Parking. Parking on the Property shall be subject to the following restrictions:

(i) No parking shall be permitted upon the Common Areas, including, without limitation, the private streets, the Shared Private Road or alleyways within the Property, except in those spaces designated for parking, the use of which spaces shall be restricted as set forth in this Article VI, Section 2(f). No vehicle belonging to any Member, or to any guest or employee of any Member, shall be parked in a driveway or elsewhere on the Property in a manner which interferes with access to or along, or encroaches upon, the private streets or alleyways, the Shared Private Road, the sidewalks or the pedestrian walkways or emergency vehicle, ingress/egress, or private driveways within the Property. Each garage which is included in a Living Unit shall be used for passenger vehicle storage only, except as provided in Article VI, Section 2(h) below.

(ii) Except in connection with the construction activities of the Declarant, no truck, boat, recreational vehicle, motor home, camp truck or trailer, whether owned by an Owner or any other person, shall be permitted to remain on the Property, including, without limitation, the Common Areas or garages in Living Units, or to be parked in driveways. Only vehicles of a size and dimension which would allow for such vehicle to be parked within the garage of such Owner's Living Unit *with the garage door closed* shall be permitted to remain on the Property. For the purposes of the foregoing sentence, neither a sports utility vehicle nor a pick-up truck is deemed to be a truck. No junk or derelict vehicle shall be kept on any portion of the Property. The repair (except for bona fide emergencies) or extraordinary maintenance of automobiles or other vehicles shall not be carried out at any place on the Property. Nothing shall be stored upon any of the streets, alleyways or walkways, nor shall the same be permitted to accumulate trash or debris.

(iii) All areas designated for visitor parking shall be so marked and designated for visitor parking only, and no Owner, Occupant or other tenant shall park in such designated areas. The parking along the Shared Private Road may be used only for visitor parking for the Property and for visitors to the Condominium Property. Visitor parking may be used for visitor parking only, on a first-come, first-served, basis. The visitor parking shall be utilized for parallel parking only, and no vehicle shall be parked so as to interfere with the flow of vehicular traffic on any road such parking is allowed. No Owner or Occupant or other tenant of the Property shall park in the visitor parking, and no any owner or occupant of the Condominium Property, may park along the Shared Private Road.

(iv) All areas designated for parking for users of and visitors to the Swimming Pool and Clubhouse shall be so marked and designated for such use. Parking in such designated areas shall be permitted only during such time as the owners of the vehicles are using such Recreational Amenities.

(v) The Association shall have the right, in addition to all other rights and remedies provided herein, to have any and all vehicles which are parked on the Property in violation of the provisions set forth herein or any additional Rules promulgated by the Board of Directors towed away at the expense of the Owner of the Lot, whether such violation was committed by the Owner, Occupant or guest of the Owner or Occupant of such Lot.

(g) Pets. Pets shall not be permitted upon the Common Areas unless accompanied by a responsible person and unless they are carried or leashed. The Board of Directors shall have the authority to determine whether a number of pets maintained in any Living Unit or on any Lot is reasonable and Owners may not maintain more than the number of pets determined by the Board of Directors to be reasonable. No pets may be kept, bred or maintained for commercial purposes. Any Owner or Occupant who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, each of the other Owners, Occupants, the Declarant and Management Agent free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet at the Property. All pets shall be registered, inoculated and tagged as required by law. The Board of Directors shall have the right to order any person whose pet is a nuisance to remove such pet from the Property and the Board of Directors, after affording the right to a hearing to the Owner or Occupant affected, shall have the exclusive authority to declare any pet a nuisance. Each Owner or Occupant who walks a pet on the Common Area is required to clean up any and all solid waste deposited by their pet in that area. The Board of Directors shall have the right to adopt such additional Rules regarding pets as it may from time to time consider necessary or appropriate.

(h) Refuse. Except in connection with the Declarant's construction activities, no burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used materials, refuse, litter, lumber, scrap metals, bulk materials, building materials or trash of any other kind shall be permitted on any Lot or upon any of the Common Areas. All refuse shall be deposited with care in covered containers for such purpose. All trash containers, recycle containers and other refuse disposal systems must be maintained inside the garage of the Living Unit and shall not be permitted to remain in public view from another Lot, except on days of trash collection. Each Owner shall be responsible for removing his or her trash, recycle and other refuse disposal containers from public view after refuse collection hours on the day of such collection. No incinerator shall be kept or maintained upon any Lot.

(i) Temporary Structures; Clothes Lines. Except for temporary structures for the Declarant's construction activities at the Property and the Declarant's sales activities (including sales/marketing signs), no structure of a temporary character, and no trailer, tent, shed, shack, barn, pen, kennel or stable, shall be maintained upon any Lot or upon the Common Areas at any time. Outdoor clothes dryers or clotheslines shall not be maintained upon any of the Lots or the Common Areas at any time. No clothing, laundry or the like shall be hung from any part of any Living Unit (including, without limitation, the rooftop terraces) or upon any of the

Common Areas or from or upon any window, balcony, deck, rooftop terrace, or patio. No tables, chairs, play equipment or other furniture, furnishings or equipment shall be placed or stored in the front yard of any Lot or on a rooftop terrace, except for deck furnishings (but not play equipment) which do not exceed forty-two (42) inches in height.

(j) Outdoor Antennas. Except as specifically permitted by applicable Federal regulations, no exterior antenna or satellite dish for the transmission of radio or television signals or for the reception of direct broadcast satellite service which exceed one meter in diameter and/or exterior antenna for receiving video programming services via MMDS (wireless cable) that exceed one meter in diameter may be maintained upon the exterior of any Living Unit or garage, or upon the Common Areas without the prior written consent of the Board of Directors, the Architectural Review Board. Any antennas, satellite dishes, microwave dishes and other similar devices (collectively, "**Outdoor Antenna**") must not unreasonably interfere with the ownership, use and occupancy of other Lots or the Common Areas and must be installed in the location designated by the Declarant in the initial construction of the Living Unit, or such other location approved by the Board of Directors and Architectural Review Board with appropriate regard for the visual impact on the Property and the Park Potomac community. The location of the Outdoor Antenna must not violate any restrictions imposed by the Regulatory Plans on the Property. The Board of Directors, or the Architectural Review Board, may adopt additional reasonable regulations as to screening and location of any Outdoor Antenna. In the event that the Architectural Review Board determines that the placement of any Outdoor Antenna is not in the designated location, or interferes with the ownership, use and occupancy of other Lots or the Common Areas, or adversely affects the general exterior appearance of a Living Unit or garage, or is not otherwise in conformance with the architectural standards promulgated by the Architectural Review Board for Outdoor Antenna, or in conformance with the requirements set forth in the Regulatory Plans or the Park Potomac Architectural Guidelines, then the Board of Directors shall have the authority to require the relocation of such Outdoor Antenna, by and at the cost of the Owner of the Living Unit for which the Outdoor Antenna is installed, to the original designated location on the Living Unit or to such other location (but only if reception is not available with the placement of the Outdoor Antenna in the location designated in the initial construction of the Living Unit) reasonably determined by the Board of Directors. Aerials and antennas situated entirely within a Living Unit and not visible from the exterior, shall be permitted.

(k) Landscaping; Utility Lines. No tree, hedge or other landscape feature shall be planted, installed or Maintained in a location which obstructs sight lines for vehicular traffic on public or private streets and alleyways. All landscaping and screening shall be Maintained in good condition, and no landscaping shown on the Regulatory Plans shall be allowed to die without replacement of like landscaping materials or otherwise eliminated or reduced. Pavement, plantings and other landscape materials shall not be placed or permitted to remain upon any Lot (i) if such materials may damage or interfere with any easement for the installation or Maintenance of utilities, (ii) in violation of the requirements of such easements, or (iii) if such materials may unreasonably change, obstruct, or retard direction or flow of any drainage channels. Except for hoses and the like which are reasonably necessary in connection with landscape Maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, television cable or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground. No decorative lawn ornaments shall be erected, installed, used or maintained on

or in the front or side yard of any Lot. The Architectural Review Board may from time to time recommend to the Board of Directors for adoption such additional rules and regulations regarding the preservation of trees and other natural resources as it may consider appropriate.

(l) Signs. Except for sales/marketing signs posted at the Property in connection with the Declarant's sales activities, entrance signs, directional signs, signs for traffic control or safety, or except as may be expressly permitted by the Maryland Homeowners Association Act, as amended, and except for "No Parking" or limited hour or restricted parking signs for visitor parking and Swimming Pool and Clubhouse parking areas, and except as permitted under Article VI, Section 1(a) hereof, no signs of any character shall be erected, posted, or displayed in a location that is visible from another Lot or Living Unit that does not comply with the Regulatory Plans and the rules established by the Board of Directors. No sales/marketing signs for the resale of a Living Unit shall exceed two (2) feet in width or two (2) feet in height, and such signs shall be posted only on Saturdays and Sundays. Such temporary real estate sales/marketing signs shall be removed promptly following the sale or rental of such Living Unit. No signs which support any candidate for public office or a slate of candidates for public office, or a sign which advertises the support or defeat of any proposition submitted to the voters in accordance with the Election Law Article of the Maryland Code, may be posted in any portion of the Common Areas. Unless applicable Law requires that such signs be posted for lesser periods of time, all such signs on Lots may not be posted more than thirty (30) days before the primary election, general election or vote on the proposition, and must be removed within seven (7) days after the primary election, general election or vote on the proposition. All signs posted under Article VI, Section 1(a) of this Declaration shall be subject to approval by the Architectural Review Board, and to the extent signs are regulated by the Park Potomac Architectural Guidelines, comply with the Park Potomac Architectural Guidelines. Any signs posted in violation of this Article IV, Section 2(l), may be removed by the Association and such Owner shall be subject to the provisions of Article IV, Section 3 regarding violations of covenants and restrictions set forth in this Article IV.

(m) Compliance with Laws. No unlawful, improper or offensive use shall be made of any Living Unit, Lot or any portion of the Common Areas and all Laws, zoning and other ordinances, regulations of Governmental Authorities shall be observed at all times. All Laws, orders, rules, regulations or requirements of any Governmental Authority having jurisdiction over the Property shall be complied with by, and at the sole expense of, the Owner, the Association or the Declarant, whichever party shall have the obligation for the upkeep of such portion of the Property, and if the Association is the responsible party, then the cost of compliance shall be a Common Expense included in the Annual Assessment.

(n) Obstructions. No Owner shall obstruct any portion of the Common Areas or otherwise impede the rightful access of any person on any portion of the Property upon which such person has a right to be. No Owner shall cause or permit to be placed or constructed anything on or in any of the Common Areas. In the regard, Park Potomac Avenue and Cadbury Avenue have been dedicated for public use and in no event shall any gate be installed at either entrance to the Property along Cadbury Avenue or Park Potomac Avenue which would limit vehicular access or pedestrian access to the Property.

(o) House Numbers. House numbers shall be posted and maintained at all times on the front and rear of the Living Units such that they shall be visible at all times from the public streets, private streets and alleyways on which the Living Units are situated.

(p) Mailboxes. Mailboxes serving more than one Living Unit (including, without limitation, gang mailboxes) may be maintained on the Common Areas, or on any individual Lot. The Association shall be responsible for Maintenance of the mailboxes; provided, however, that an Owner shall be responsible for any damage to the mailboxes caused by such Owner, or any Occupant or guest, invitee, licensee or contractor of such Owner.

(q) Walls. No Owner shall cause or permit any signs or objects of any kind to be attached to, affixed to, or hung from any of the Retaining Walls, Cheek Walls or Screening Walls, party walls, fences, guard rails, if any, or any other exterior walls on the Property.

(r) Rooftop Terraces. The removal of any railings, decorative trellises or other perimeter barriers installed by the Declarant shall be strictly prohibited, except for repairs or replacements with the improvements of the same type and of the same functional and physical appearance. In addition, no umbrellas, furniture, landscaping, trees, sculpture, artwork, flags or banners exceeding 42 inches in height may be placed on the rooftop terraces, and no such items shall be visible from the public or private streets or alleyways or from Common Areas adjacent to the Lot. All planters, trees and shrubbery to be placed upon any rooftop terrace shall be subject to the approval of the Architectural Review Board. Furthermore, in no event shall any decorative lights be placed on rooftops or rooftop terraces, or on the exterior of the Living Unit above the first floor level, which can be viewed from the roadway, alleyway or any property adjacent to the Property.

(s) Third Party Agreements. There are certain agreements of record which encumber the Property, including, without limitation, the Easement and Cost-Sharing Agreement and the Master Declaration, which provide for the sharing of certain obligations with respect to the Shared Improvements. To the extent that such agreements affecting the Property impose any obligations on the Owners of the Lots, the Owners shall comply with all such obligations.

(t) Notice of Sale, Conveyance or Transfer. Prior to the sale, conveyance or transfer of any Lot or Living Unit to any person, the Owner shall notify the Board of Directors in writing of the name and address of the person to whom the proposed sale, conveyance or transfer is to be made and provide to it such other information as the Board of Directors may reasonably require. Failure to comply with the provisions of this Article VI, Section 2(t) shall not void, prohibit or otherwise invalidate the sale, conveyance or transfer of any Lot or Living Unit nor may it have any affect upon any mortgage or deed of trust thereon.

(u) Wells. No domestic water supply wells, groundwater monitoring wells or groundwater observation wells shall be installed anywhere on the Property.

(v) Rules. From time to time the Board of Directors shall adopt additional general Rules, including, but not limited to, Rules to regulate potential problems relating to the use of Property and the well-being of the Members, such as signage, storage and use of machinery, visitor parking, Swimming and Clubhouse parking, use of the Recreational

Amenities, Maintenance and removal of vegetation on the Property, and the type and manner of application of fertilizers or other chemical treatments to the Property in accord with non-point source pollution control standards. Ninety (90) days after conveyance of the first Lot to an Owner, such Rules may only be adopted or amended by a vote of at least two-thirds (2/3rds) of the Board of Directors, following a hearing for which due notice has been provided to all Members. A majority of votes cast, in person or by proxy, at a meeting of the Members convened in accordance with the Bylaws and called for that purpose, shall have the ability to repeal or amend any Rules adopted by the Board of Directors; provided, however, that no Rule may be repealed which would violate the Regulatory Plans. No Rules shall be adopted which do not apply uniformly to all Lots or all Living Units. All such Rules, including any subsequent amendments thereto, shall be placed in the Rules and shall be binding on all Members, except where expressly provided otherwise in such Rules. In addition, all rules and regulations adopted pursuant to the Master Park Potomac Governing Documents with respect to the Park Potomac community shall be binding upon all Owners and Occupants of the Property.

(w) Exceptions. The Board of Directors may issue temporary permits to except any prohibitions expressed or implied by this section, provided the Board of Directors can show good cause and acts in accordance with adopted guidelines and procedures. So long as the Declarant is engaged in developing or improving any portion of the Property, the Declarant shall be exempted from Rules affecting movement, disposition, and storage of building materials and equipment, erection and maintenance of directional and promotional signs and conduct of sales activities, including maintenance of model Living Units, temporary structures, obstructions and parking. Such exemption shall be subject to such rules as may be established by the Declarant to maintain reasonable standards of safety, cleanliness, and general appearance of the Property.

Section 3. Maintenance of Property.

(a) Owner Obligation.

(i) Each Owner shall keep all Lots owned by him, and all improvements therein or thereon, and all improvements and equipment located within the Common Areas, if any, but which are appurtenant to and for the benefit of such Lot(s), including, without limitation, the Living Unit, steps, stoops, fences, patios, porches, decks, mailboxes, air-conditioning equipment, individual driveways, curbs adjacent to the driveways, posts, piers and columns, if any (whether in the front or rear of the Lot, and whether such improvements or equipment are located on the Lot or within the Common Areas adjacent to the Lot or on or over the property line dividing the Lot from the adjacent Lot), in good order and repair, in a clean and sanitary condition, free of debris, all in a manner and with such frequency as is consistent with good property management. Except as specifically provided in Article IV, Sections 1 and 2 of this Declaration, the Association shall have no responsibility for the Maintenance of any Living Unit or Lot, and each Owner shall be responsible for the Maintenance of his or her Living Unit and Lot.

(ii) In addition, each Owner shall be responsible for the removal of snow and ice from such Owner's Lot, including, without limitation, the porch (if any), deck (if any), and rooftop terrace (if any), appurtenant to the Living Unit. Each Owner shall also be

responsible for keeping the front, side and rear yards of his or her Lot in a clean and sanitary condition, free of debris.

(iii) Each Owner shall be solely responsible for the Maintenance, painting, replacement and repair of the rooftops, rooftop terraces, stairwell enclosures, if any, on the rooftops and privacy fences or other dividers between the adjacent rooftops.

(iv) The Common Area Attached Lights shall be Maintained by the Owner of such Living Unit on which a Common Area Attached Light is attached in good operating order. Such Common Area Attached Lights will be wired to the electric service of the Living Unit to which the light fixture is attached. No Owner shall disconnect or otherwise impair the use of any such Common Area Attached Lights. The Owners of the Living Units to which Common Area Attached Light are attached shall keep such lights lit during all hours from dusk to dawn. An Owner of a Living Unit with any Common Area Attached Light will be responsible for assuring that the Common Area Attached Lights are Maintained in good operating condition so as to provide lighting for the Common Areas during those designated times. The location of the Common Area Attached Lights on each model of Living Unit is provided in Exhibit C (attached hereto and made a part hereof).

(v) The Association's responsibility with respect to the mowing of grass, feeding, fertilizing, pruning and trimming of shrubbery, mulching, and the replacement of shrubbery, bushes, trees is set forth in Article IV, Section 2(c). If the Owner elects, he may be responsible for the mowing of grass, pruning and trimming of shrubbery, mulching and the replacement of shrubbery within his Lot and within any enclosed front and side yards (or enclosed portions thereof) as set forth in Article IV, Section 2(c). The Owner shall also be responsible for watering the landscaping, shrubbery, bushes and trees located within the front, side and rear yards of his or her Lot (including, without limitation, any portions of the front, side and rear yards located within the public space adjacent to the Lot).

(vi) Each Owner shall also be responsible for the repair and/or replacement of any fences on the Owner's Lot, whether such fence is located on the Lot, within the Common Areas adjacent to the Lot, or on or over the property line dividing the Lot from the adjacent Lot. No Owner shall lock a gate or otherwise block access to such Owner's Lot which will prevent access to such Owner's Lot. During the period October 1 through March 30 of each calendar year, each Owner must keep the door of the garage of his/her Living Unit closed at all times, except when entering or exiting the garage, to prevent damage to the Supervised Fire System which may be caused by inclement weather.

(vii) No Owner shall disconnect or cause to be disconnected, or otherwise impair the operation of, the alarm monitoring system which serves such Owner's Living Unit, nor shall any part of the Supervised Fire System which serves a Living Unit be disconnected or its use otherwise impaired. In the event that any fees, penalties, fines or other costs are incurred by the Association arising out of any damage to or impairment of the Supervised Fire System by or on behalf of an Owner, then the Association shall have the right to levy a Special Assessment against the defaulting Owner in the same manner as a Restoration Assessment pursuant to Article V, Section 4(b) hereof.

(viii) Any obligations not specifically stated to be the Association's as described in said Article IV, Sections 1 or 2, shall be the obligation of the Owners. Each Owner shall perform his or her responsibilities hereunder in such a manner as shall not unreasonably interfere with the other Owners or Lots.

(b) Failure to Maintain Right to Remove or Correct Violations. If any Owner shall fail to Maintain such Owner's Lot or Living Unit in good repair and condition and in a neat and orderly condition consistent with the covenants set forth in this Declaration (including all sections of this Article) and such Rules as may be promulgated by the Board of Directors, or in the event of any violation or attempted violation of any of the covenants or restrictions contained in this Article or the Rules, or in the event of any other conduct in violation of any of the provisions or requirements of this Declaration or the Rules, then the same shall be considered to have been undertaken in violation of this Declaration and without the approval of the Architectural Review Board or the Board of Directors required herein, and, upon Registered Notice from the Architectural Review Board or the Board of Directors, 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 Registered Notice) after Registered 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, to enter upon such Lot and (in the event of an emergency, the Living Unit) and take such steps as may be necessary to remove or otherwise terminate or abate such violation and the cost thereof may be assessed and collected as a Restoration Assessment against the Lot upon or in which such violation occurred. 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 as provided in Article V 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 or requirements of this Declaration exists on such Lot or in such Living Unit, and neither the Association nor any such agent, employee or committee member shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection. Notwithstanding anything else contained in this paragraph to the contrary, the Association shall initiate judicial proceedings before any item of construction can be altered or demolished.

(c) Enforcement; Fines. In addition to the means for enforcement provided elsewhere herein, the Association shall have the right to levy fines against an Owner or such Owner's guests, relatives, lessees or invitees, in the manner set forth herein, and such fines shall be collectible as any other assessment such that the Association shall have a lien against the Lot of such Owner as provided in this Declaration, the Articles of Incorporation and other Governing Documents, and such fine(s) shall also become the binding personal obligation of such Owner.

(i) The Board of Directors shall be charged with determining where there is probable cause that any of the provisions of this Declaration or the Governing Documents of the Association, regarding the use of the Living Units, Lots, Common Areas or other Association property, are being or have been violated. In the event that the Board of

Directors determines an instance of such probable cause, it shall provide Registered Notice to the person alleged to be in violation, and the Owner of the Lot which that person occupies or is visiting if such person is not the Owner, of the specific nature of the alleged violation and of the opportunity for a hearing before the Board of Directors upon a request made within five (5) days of the sending of the Registered Notice. The notice shall also specify, and it is hereby provided, that each recurrence of the alleged violation or each day during which it continues shall be deemed a separate offense, subject to a separate fine not to exceed a reasonable amount established by the Board of Directors for each offense. The amount of the fine shall be based upon the costs and inconvenience caused to the Association and shall not be a penalty. The Notice shall also specify, and it is hereby provided, that in lieu of requesting a hearing, the alleged violator or Owner may respond to the Notice within five (5) days of its sending, acknowledging in writing that the violation occurred as alleged and promising that it will henceforth cease and will not recur, and that such acknowledgment and promise, and performance in accordance therewith, shall terminate the enforcement activity of the Association with regard to such violation.

(ii) If a hearing is timely requested, the Board of Directors shall hold the same, and shall hear any and all defenses to the charges, including any witnesses that the alleged violator, Owner or the Board of Directors may produce. Any party at the hearing may be represented by counsel.

(iii) Subsequent to any hearing, or if no hearing is timely requested and if no acknowledgment and promise is timely made, the Board of Directors shall determine whether there is sufficient evidence of a violation or violations as provided herein. If the Board of Directors determines that there is sufficient evidence, it may levy a fine for each violation in the amount provided herein.

(iv) A fine pursuant to this Article VI, Section 3(c), shall be assessed against the Lot which the violator occupied or was visiting or using at the time of the violation, whether or not the violator is the Owner of that Lot, and shall be collectible in the same manner as any other assessment, including by the Association's lien rights as provided in this Declaration. Nothing herein shall be construed to interfere with any right that an Owner may have to obtain payment of the amount of any fine(s) assessed against such Owner's Lot from a violator occupying or visiting such Owner's Lot.

(v) Nothing herein shall be construed as a prohibition of, or limitation on, the right of the Association to pursue any other means of enforcement of the provisions of this Declaration or the other Governing Documents, including, but not limited to, legal action for damages or injunctive relief.

(d) Assignment of Insurance Proceeds. Each Owner covenants and agrees, by ownership of one or more Lot(s) within the Property, that if any insurance proceeds are payable by reason of any event or circumstances causing a condition rectified by the Association pursuant to this Article, those proceeds are hereby assigned to the Association to the extent not assigned to the First Mortgagee for such Lot. Each Owner shall, promptly upon request of any Director or Officer of the Association, execute such documents as may be necessary to effect or confirm such assignment. The amount thereof received by the Association in rectifying that

condition and any amount in excess of those costs shall be returned by the Association to the Owner, subject to the rights of any First Mortgagee having a lien upon such Owner's Lot.

Section 4. Party Walls.

(a) General Rules of Law to Apply. Each wall built as a part of the original construction of the Living Unit upon the Property and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. Each privacy fence (including walls or fences between rooftop terraces), decorative fence, trellises or other dividers which may be located on the dividing line between two Lots shall also be deemed "party walls" for purposes of this Section 4, and the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance and Destruction by Fire or Other Casualty. If any such party wall [including, without limitation, any fence or other divider] is damaged or destroyed by fire (other than a fire caused by the Owner or Occupant of one of the Lots) or other casualty, or by some cause other than the act of one of the Owners or Occupants, or the agents, guests or family of any Owner or Occupant (including ordinary wear and tear and deterioration from lapse of time), or if a party wall, party wall fence or other divider requires Maintenance (including, without limitation, painting), then in such event both such adjoining Owners shall proceed forthwith to rebuild, repair or paint the same to as good condition (and same color) as was formerly existing and they shall share equally the costs of Maintaining the party wall, party wall fence or other divider.

(c) Damage Caused by One Owner. If any such party wall or party wall fence or divider is damaged or destroyed through the act of one adjoining Owner or Occupant or any of the agents, guests, or members of the family such Owner or Occupant (whether or not such act is negligent or otherwise culpable), or if one adjoining Owner or Occupant fails to Maintain the party wall or party wall fence or other divider in good repair and condition [including painting and pointing of party walls and party wall fences] so as to deprive the other adjoining Owner or Occupant of the full use and enjoyment of the wall, fence or other divider, then the Owner who is at fault (or the Owner of the Lot whose Occupant is at fault) shall forthwith proceed to rebuild and repair (or repaint in the previous color) the same to as good condition as formerly existed at its sole cost and expense, without cost to the adjoining Owner or Occupant. If any retaining wall on the Common Areas, is damaged or destroyed other than by the act of one of the Owners or Occupants, or the agents, guests or family members of any Owner or Occupant, then in such event the Association shall be responsible for rebuilding or repairing the retaining wall to as good condition as was formerly existing. If a retaining wall on the Common Areas is damaged or destroyed by the act of one or more of the Owners or Occupants, or the agents, guests or family members of any Owner or Occupant, then in such event the Owner(s) and Occupant(s) responsible for such damage shall be responsible for the cost of rebuilding or repairing the retaining wall to its prior condition. The repair, replacement or rebuilding of any retaining wall on a Lot shall be the sole responsibility of the Owner of such Lot.

(d) Damage by Exposure. If any party wall, party wall fence or other divider is damaged by reason of exposure to the elements caused by the negligence or intentional acts of the Owner(s) or Occupant(s) of a Lot sharing the use of such party wall, party wall fence or other divider, then the Owner of such Lot shall be responsible for the prompt repair of such party wall, party wall fence or divider at such Owner's sole expense.

(e) 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 or Occupant proposing to modify, make additions to or rebuild a residence in any manner which requires the extension or other alteration of any party wall (including party wall fences, courtyard walls, piers or columns, and other property line dividers, to the extent the same exist) shall first obtain the written consent of the adjoining Owner.

(f) Right to Contribution Runs with the Land. The right of any Owner to contribution from any other Owner under this Section 4 shall be appurtenant to the land and shall pass to the successors in title to the Owner entitled to such contribution.

(g) Easement. The adjoining Owners of Lots which share a party wall shall each have a right of access and an easement to enter upon the Lot of the adjacent Owner for purposes of performing Maintenance (including, without limitation, painting) with respect to the party wall.

(h) Dispute. In the event of a dispute between Owners with respect to the Maintenance of a party wall or party wall fence, courtyard wall or other property divider, or with respect to the sharing of the cost thereof, then, upon written request of any one of such Owners addressed to the Association, the matter shall be submitted to the Board of Directors, who shall decide the dispute, and the decision of such Board of Directors shall be final and conclusive upon the parties. If any Owner fails to repair, replace or Maintain any party wall, party wall fence, courtyard wall or other property divider in good repair and condition after a decision by the Board of Directors that such work is required, then such failure by an Owner shall be deemed a violation of this Declaration and the rights of the Association pursuant to Article VI, Sections 3(b) and 3(c) shall apply.

Section 5. Maintenance by Association. Commencing on the date of conveyance of the first Lot to an Owner other than the Declarant, the Association shall be responsible for the management, Maintenance of the Common Areas including, without limitation, all those obligations of the Association described in Article IV, Section 1 of this Declaration, but specifically excluding those items for which Owners are responsible as set forth in Article VI, Section 3. The cost of upkeep of the Common Areas shall be assessed as a Common Expense against all Lots as part of the Annual Assessments. The Association shall not have any responsibility for the Maintenance of the Lots, except as set forth in Article IV, Section 1. If the Board of Directors determines that certain Maintenance was necessitated by the negligence, misuse or neglect of an Owner or Occupant, the cost of such repairs or replacements shall be assessed against such Owner's Lot as a Restoration Assessment pursuant to Article V, Section 4 of this Declaration.

Section 6. Resale of Lots.

(a) Reference to Declaration. The deed or instrument transferring title to any Lot shall contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration and in any applicable Supplementary Declaration.

(b) Notification. The contract seller of a Lot shall notify the Association of the contract purchaser and the scheduled date and place conveyance will be accomplished.

(c) Statement of Assessments. Upon receipt of the notification described in Article VI, Section 6(b), the Board of Directors or the Management Agent shall prepare a written statement which shall set forth any assessments and charges due upon such Lot at the time of conveyance (or a statement that the amount of unpaid assessments and charges is zero) and shall certify as to whether there are any violations of the Governing Documents remaining on the Lot as of the date of preparation of such statement. This statement shall be delivered to the place of closing, and outstanding assessments, if any, shall be deducted from the Seller's account at the closing and transmitted directly to the Association. The Board of Directors may charge a reasonable fee for the preparation of this statement.

ARTICLE VII

EASEMENTS

Section 1. Utility Easements.

(a) Installation and Operation of Utilities. There is hereby created a perpetual easement upon, across, over, through, and under the Property for ingress, egress, and for the location, installation, Maintenance of all utility and service lines and systems, including, but not limited to, water, sanitary sewers, storm water drainage and sewers, gas, telephones, electricity, television cable, and communication lines and systems, whether public or private, and all pipes, wires, lines, ducts, shafts, conduits and equipment related thereto. By virtue of this easement, it shall be expressly permissible for the Declarant, or the providing utility or service company with the consent of the Declarant, to install and Maintain facilities and equipment on the Property, to excavate for such purposes, and to affix and Maintain wires, circuits, and conduits underground and on, in, and under the roofs and exterior walls of Living Units and garages. No Owner shall lock a gate which provides access to the rear or side yard of such Owner's Lot in a manner which will prevent the Declarant or any utility company from obtaining access to such Owner's Lot for the above purposes.

(b) Maintenance of Utilities. Portions of the underground storm water management facilities, water lines and sanitary sewer lines serving the Property may be located below the Common Areas or one or more Lots and Living Units. There is hereby created across, over, through and upon each Lot and the Common Areas an easement for the benefit of the Declarant and the Association for purposes of Maintaining the storm water lines, water lines, sanitary sewer lines, pipes, conduits and related storm water, water and sanitary sewer transmission facilities located on or under such Lot and/or Living Unit or the Common Areas; provided, however, that such Maintenance shall not unreasonably interfere with the use or occupancy of the Living Units. There is also hereby created across, over, through and upon each

Lot and the Common Areas an easement for the benefit of the Declarant, the Association, the Alarm Monitoring Company and WSSC, and any contractors engaged by such parties, for the inspection and Maintenance of the Supervised Fire System.

(c) Reservation of Right to Grant Utilities Easements. For a period of ten (10) years following the date of recordation of this Declaration, the Declarant shall have the unilateral right to enter into easement agreements with Governmental Authorities and private utility companies more specifically establishing easements over and across the Lots and Common Areas for such storm water, water, sanitary sewer, electric power, telephone, cable and gas lines.

(d) Master Service Panels for Utilities. Certain utility and service lines and systems may be distributed to multiple Living Units from master service panels attached to the exterior of one or more Living Units. To the extent that any master service panel exists on the Property, each Owner of a Living Unit served by such master service panel shall have an easement over, across and upon the Lot on which the Living Unit to which the master service panel is attached which serves his or her Living Unit in order to Maintain the master service panel; provided, however, that such Owner entering upon the Lot of another Owner shall use best efforts not to disturb the Owner of the Living Unit to which the master service panel is attached and not to disturb utility service to any of the Living Units serviced by the master service panel, and the Owner exercising this easement shall be responsible for repairing any damage caused by reason of his or her entrance, or that of his or her contractors, upon the Lot of another Owner. As used herein, the term "**master service panel**" shall mean and refer to a grouping of one or more utility service meters and distribution lines (i.e., a group of electric meters). In addition, there is hereby created an easement across all portions of the Property, including Lots, for the location of transformers and utility meters and meter boxes which serve some or all of the Living Units.

(e) Limitation. Notwithstanding anything to the contrary contained in this Article VII, Section 1: (1) no sanitary sewers, storm water drainage facilities, electrical lines, water lines, gas lines, or other utility service lines or facilities for such utilities may be installed or relocated on the Property, except as approved by the Declarant prior to the conveyance of the first Lot to an Owner or approved by the Declarant and the Association thereafter, and (2) Article VII, Section 1 shall not be construed to apply to the relocation, installation or removal of utility lines within a Living Unit which serve only that Living Unit. This easement shall in no way affect, avoid, extinguish or modify any other recorded easements on the Property.

Section 2. Easements for Drainage.

(a) Easement for Drainage. Each Lot is hereby subject to an easement and right of passage upon, across and under such Lot for the drainage and discharge of water from any storm drain, down spout or yard drain situated on another Lot and the Owner of such Lot may not alter or obstruct such drainage or flow of water to the detriment of any Living Unit, Lot or the Common Areas.

(b) Reservation of Right to Correct Drainage. For a period of ten (10) years from the date of submission of each Lot to this Declaration, the Declarant hereby reserves a blanket easement and right on, over, and under the Property, including, without limitation, the

ground within each Lot, to establish, maintain, modify and to correct drainage of surface water in order to maintain reasonable standards of health, safety, and appearance. Such right expressly includes the right to cut any trees, bushes, or shrubbery, perform any grading of the land, and to take any other similar action which may be reasonably necessary, following which the Declarant shall restore the affected property to its original condition as nearly as practicable. The Declarant shall give reasonable notice of its intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice. Each Lot is hereby subject to an easement and right of passage upon, across and under such Lot for the drainage and discharge of water from any storm drain, downspout, or yard drain situated on another Lot and the Owner of such Lot may not alter or obstruct such drainage or flow of water to the detriment of any Lot or the Common Areas.

Section 3. Construction Easements and Rights. Notwithstanding any provision of this Declaration or of any Supplementary Declaration, there is hereby reserved unto the Declarant (or its successors and assigns to whom such easement has been specifically assigned in writing), and its employees, agents, and assigns, a non-exclusive perpetual blanket easement and right-of-way, upon, across and over any portion of the Property (but not within the interior of a Living Unit which has been occupied) for (a) the movement and storage of building materials and equipment, (b) the location, installation, construction, replacement and Maintenance of all utility and service lines and systems, including, but not limited to, water, sanitary sewer lines, cables, storm drains, gas lines, telephone lines, electric lines, communication lines and systems, and appurtenances to any of same, (c) the construction, installation and Maintenance of improvements (including, without limitation, buildings, landscaping, street lights, directional and promotional signs) and utilities in, on, across and/or under the Property, (d) the conduct of sales activities, including, but not limited to, the maintenance of model Living Units, a sales office, storage area, signs and displays, (e) curb cuts, slope or grading easements, (f) vehicular and pedestrian ingress and egress, (g) all other purposes reasonably related to the completion of development and construction of the Property, (h) to carry out any obligations it may have, or assume, with respect to the curing of any defects in workmanship or materials in the Property or the improvements thereon, and (i) the furnishing of warranty services.

By virtue of this easement, it shall be expressly permissible to erect, install and Maintain the necessary poles, pipes, lines, service boxes and other equipment on the Property, to affix and Maintain electrical or telephone wires and conduits, sewer and water drainage lines, on, above, or below any portion of the Property, including any improvements constructed thereon, and to have construction vehicles, equipment and the like exercise the aforesaid right of ingress and egress over the Property. There is further reserved unto the Declarant the right to erect entry features, promotional and other similar items within the Property provided they do not unreasonably interfere with the use, operation and enjoyment of the Property. There is further reserved unto the Declarant the right to grant specific easements, both temporary and permanent, to any person or entity, including, without limitation, all public authorities and public and private utility companies, over any part of the Property in furtherance of the blanket easement created by this subsection. Further, without limiting the generality of the foregoing, the Declarant hereby reserves the right to unilaterally execute and record such additional easements and agreements as may be necessary in order to give effect to the foregoing easements and other rights, which additional easements and other agreements need not be consented to or joined in by any party having an interest in the Property; provided, however, that if requested by the Declarant, any

party having an interest in the Property shall promptly join in and execute such confirmatory easements and other agreements.

Section 4. Easement to Inspect and Maintain. There is hereby created an easement in favor of the Declarant and the Association for ingress and egress over any Lot (a) to inspect such property for alleged violations of the Governing Documents, based on formal, written complaints, for compliance with architectural standards and approved plans for alterations and improvements and (b) to perform such Maintenance as is required by this Declaration or the Supplementary Declaration for such Lot, provided the Owner of such Lot is given Notice of the purpose and time of inspection at least three (3) days in advance thereof and such inspection is performed during reasonable hours.

Section 5. Easement for Maintenance. The right of access over, across and through any portion of the Property (including occupied Living Units with Notice to the Owner or Occupant) is hereby granted to the Association, the Declarant, the Management Agent and any other persons authorized by the Board of Directors in its exercise and discharge of their respective powers and responsibilities, including, without limitation, performance of Maintenance of the Common Areas, Living Units, and other improvements located on the Property for which the Declarant or the Association is responsible for upkeep or Maintenance, or to correct any condition which violates the Governing Documents. No notice to any Owner shall be required in connection with the Maintenance of the Common Areas by the Association. The agents, contractors, officers and Directors of the Association may also enter any portion of the Property (including any occupied Living Unit upon Notice to the Owner or Occupant) in order to provide for the upkeep of the areas subject to easements granted to the Association by this Declaration. Each Owner shall be liable to the Association for the Maintenance performed or made by the Association and necessitated by any act, neglect, carelessness or failure to comply with the Governing Documents and the costs incurred by the Association shall be assessed against such Lot as a Special Assessment in accordance with the provisions of Article V, Section 4(b) hereof.

Section 6. Easement for Governmental Personnel. A right of entry on any Lot or Common Areas is hereby granted to the Association, its Directors, officers, agents and employees, to any manager employed by or on behalf of the Association, and to all law enforcement officers, fire and rescue personnel as needed to carry out their duties, including enforcement of cleared emergency vehicle access.

Section 7. Easement for Landscaping, Signs, and Related Purposes. There shall be and is hereby reserved to the Declarant for a period of ten (10) years from the date of recordation of this Declaration, a non-exclusive easement over all Lots and Common Areas for a distance of ten (10) feet behind any Lot line which parallels a street (whether public or private) for the purpose of erecting and Maintaining street intersection signs, directional signs, temporary promotional signs, mailboxes, plantings, street lights, entrance features and/or "theme areas," lighting, stone, wood, or masonry wall features, related landscaping, or any combination of the foregoing. Exercise of this easement will be with the consent of the Owner of the affected Lot, or the Architectural Review Board if the said Owner does not consent.

Section 8. Buffer Easement. The Association shall have the right to inspect and Maintain any area which lies within a buffer easement, if any, conveyed to the Association, and to remove any improvements or other items which are constructed or located within the buffer easement in contravention of the terms of said easement. Where the buffer easement lies within any Lot, any cost incurred by the Association in maintaining the easement or removing any improvements or other items shall be chargeable to the Lot as a Restoration Assessment, as is set forth in Article V, Section 4(b) above.

Section 9. Access Easements.

(a) Easements for Use of the Shared Private Road. Pursuant to the Master Park Potomac Governing Documents, including, without limitation, the Master Declaration and the Easement and Cost-Sharing Agreement, an easement has been established across the Shared Private Road to provide ingress and egress to and from the Condominium Property, the Property and the Public Roads. The Association is responsible for Maintenance of the Shared Private Road as provided in Article IV, Sections 1 and 2(a); however, Condominium I Association and Condominium II Association are responsible for reimbursing the Association for an aggregate of fifty percent (50%) of the Shared Private Road Costs pursuant to the terms of the Master Park Potomac Governing Documents, which terms are also provided in Article V, Section 3(d) of this Declaration. Such Shared Private Road Costs shall be billed by the Association and paid by the Condominium I Association and by the Condominium II Association in accordance with the provisions of the Master Park Potomac Governing Documents and Article V, Section 3(d) of this Declaration.

(b) Public Roads. The Public Roads have been dedicated for public use pursuant to the Record Plat.

(c) General Easement. There is hereby created a non-exclusive perpetual easement and right of way upon, across, over and through all of the Common Areas, and any sidewalk or walkway (or the replacement thereof) constructed within the Property by the Declarant that may be reasonably deemed to have been constructed or intended for pedestrian use, for the benefit of the Owners and Occupants of the Property, and their respective invitees, contractors, agents, and employees and their successors and assigns, for the purpose of ordinary and reasonable pedestrian ingress and egress to and from the Property and ingress and egress to and from each of the Lots and Living Units and the Common Areas within the Property.

(d) Mailboxes. As provided in Article VI, Section 2(p), to the extent that there are mailboxes which serve more than one Living Unit located on a Lot, each Owner whose mailbox is located on that Lot is hereby granted an easement over and across such Lot for ingress and egress to access his or her mailbox; provided, that no Owner or Occupant shall cause damage to the Lot on which the mailboxes are located.

Section 10. Easement for Emergency Access. An easement is hereby granted over, through and across all or any portion of the Property for emergency vehicle access, including, without limitation, to all police, fire, ambulance and other rescue personnel, for the lawful performance of their functions during emergencies.

Section 11. Easements for Support, Encroachments, Enclosed Areas.

(a) Easements of Support. There is hereby created across, through and under each Lot and the Common Areas, including both land and improvements, a perpetual, non-exclusive easement of support in and to all structural members, columns, footings, caissons, beams, walls, piles, slabs and other supporting components and foundations which are necessary for support of improvements in adjacent Lots and the Common Areas. To the extent that any Living Unit on a Lot or the Common Areas encroaches on any other Lot or on the Common Areas, whether by reason of settling or shifting of any land or improvements, or by deviation in the construction, repair, restoration or replacement of any improvements, a valid easement shall exist for the encroachment and for the Maintenance of same so long as the encroaching Living Unit or Common Areas exist. In the event that any Living Unit shall be partially or totally destroyed as a result of a fire or other casualty or as a result of condemnation or eminent domain proceedings, and such Living Unit is reconstructed or repaired, the shared improvements may be reconstructed in the same location and manner as they previously existed and valid easements for the shared use of such improvements shall continue to exist. The encroachment of parts of the Common Areas upon any Living Unit, or any Living Unit upon the Common Areas, resulting from such reconstruction or repair shall be permitted, and valid easements for such encroachment shall exist so long as the encroaching improvements shall exist.

(b) Easements for Encroachments. With respect to any step, stoop, patio, deck, downspout, yard drain, overhang, air-conditioning equipment or other similar structure or equipment or improvement which may encroach upon any portion of the Common Areas or an adjacent Lot, and that may benefit any Lot, which encroachment occurs by reason of (i) construction or installation by the Declarant, (ii) deviations within normal construct tolerances in the Maintenance of any improvements, of (iii) the settling or shifting of any land or improvement, there is hereby reserved for the benefit of the Lot from which such step, stoop, patio, deck, overhang, downspout, drain, air-conditioning equipment or other structure or equipment originates, a perpetual easement over and across the Common Areas and/or the adjacent Lot for the location, Maintenance and use of such structure, equipment or other items within the Common Areas or adjacent Lot. The Owner of the Lot benefitting from such easement agrees to Maintain such structure, equipment or improvement and to indemnify and hold the Association and the Owner of the adjacent Lot on which such structure, equipment or improvement is located, harmless from any loss, liability or damage arising out of or resulting from the use, enjoyment and benefit of the easement granted hereby. These easements do not relieve any Owner of a Lot from liability for such Owner's negligence or willful misconduct, and do not extend to any encroachment caused by alterations or inadequate Maintenance, resulting in unreasonable interference with the normal use and enjoyment of the Lot.

(c) Easements for Use of Enclosed Areas. There is hereby created for the benefit of each Lot, which is enclosed, in whole or in part, by any wooden, brick, stone or other similar fence and/or wall constructed by the Declarant, a perpetual easement to use any portion of the Common Areas that may be located between such fence and/or wall and the record platted lot line (whether a record lot or assessment and taxation lot) for such benefitted Lot; and the obligation to Maintain such portion of the Common Areas shall be that of the Owner of the benefitted Lot and the obligation to Maintain the wooden, brick, stone, or other similar fencing located within the Common Areas, which encloses the benefitted Lot, shall be that of the Owner

of the benefitted Lot. The Owner of any Lot benefitting from the foregoing easement agrees to indemnify and hold the Association harmless from any loss, liability or damage arising out of or resulting from the use, enjoyment and benefit of the easement rights provided for herein.

(d) Mutual Easements for Utilities. A mutual right and easement for utility services is hereby established for the benefit of all Owners, such that no Owner shall take any action which would in any way interfere with utility services being provided to other Owners within the Property. If a Lot contains any utility pipes, ducts, conduits, wires or the like, whether through walls, floors or ceilings of a Living Unit or garage, and which are for the benefit, in whole or in part, of other Owners within the Property, then the Owner of such Lot shall promptly, at the Owner's expense, repair any damage to such utilities caused by the Owner, or such Owner's tenants, lessees, agents, guests, invitees, licensees or family members.

Section 12. Reservation of Right to Grant Easements and Dedicate Rights-of-Way. The Declarant hereby reserves the absolute right, for a period of ten (10) years following the date of recordation of this Declaration, to grant easements, both temporary and permanent, over any part of the Lots or Common Areas, or any portion or portions thereof, as may be required by any Governmental Authority, public or private utility company, or as are otherwise in accordance with the Regulatory Plans for the Property. In addition, the Declarant hereby reserves the absolute right, for a period of ten (10) years following the date of recordation of this Declaration, to dedicate all, or any portion of the private streets within the Property for public use.

Section 13. Association Easements. The Board of Directors of the Association shall have the right to grant easements, rights-of-way, licenses and similar interests over any part of the Common Areas for any lawful purpose which the Board determines, in its sole discretion, to be in the best interests of the Association.

Section 14. Reservation of Right to Modify Plans. The Declarant hereby reserves the right to modify or alter the size, number, type and location of the Common Areas and Lots, as well as the improvements thereon, as it deems necessary or desirable in conjunction with the development of the Property. Without limiting the generality of the foregoing, the Declarant reserves the right to resubdivide all or a portion of the Property, to convey Common Areas, to modify the Regulatory Plans, to construct improvements on the Common Areas, and to take whatever other action with respect to the Common Areas and the Lots as the Declarant may deem necessary or desirable.

Section 15. Park Potomac Governing Documents. The Declarant hereby reconfirms and reestablishes all easements across the Property which are granted by the Declarant in the Park Potomac Governing Documents. Such easements include the ingress and egress easements granted to the members of Condominium I Association and Condominium II Association Developer over and across the Shared Private Road.

Section 16. Easement to Montgomery County, Maryland. The Declarant hereby grants to the County, a municipal body corporate, its agents and contractors, a non-exclusive easement and right-of-way in, through, over and across the Common Areas 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 the County, the Association shall fail to maintain any storm water facility constructed upon the Property in accordance with applicable law and regulations, then the County may do and perform all necessary repair maintenance work and may assess the Association for the cost of work and any applicable penalties.

The Association shall indemnify and save the County 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.

ARTICLE VIII

RIGHTS OF MORTGAGEES AND PUBLIC AGENCIES

Section 1. Consents. Subject to the right of the Declarant to annex additional properties and subject them to this Declaration, as provided in Section 2(a) of Article II, the Association shall not, without the consent of (i) Class A Members holding at least sixty-seven percent (67%) of the votes in the Association, (ii) the Class B Members, so long as the Class B membership exists, and (iii) subject to the provisions of Article X, Section 2 hereof, at least fifty-one percent (51%) of the First Mortgagees, take any of the following actions unless the action is required by one or more of the Federal Mortgage Agencies or any Governmental Authority, in which case none of these consents shall be required:

(a) Abandon, Partition, Encumbrance of Common Areas. By act or omission seek to abandon, partition, encumber, sell or transfer the Common Areas or other property owned by the Association. The granting of easements for public utilities or other public purposes consistent with the intended use of the Property, or in accordance with Article VII, shall not be deemed a transfer within the meaning of this clause.

(b) Failure to Maintain Insurance. Fail to maintain fire and extended coverage insurance on insurable parts of the Common Areas or other Association property on a current replacement-cost basis in an amount not less than one hundred percent (100%) of the insurable value, based on current replacement costs, not including land value.

(c) Misappropriation of Insurance Proceeds. Use hazard insurance proceeds for other than the repair, replacement or reconstruction of such property.

(d) Amendments to Declaration. Add or amend any material provisions of this Declaration or related Association documents concerning the following:

- (i) voting rights of any Member;
- (ii) assessments, assessment liens, collection of assessments or subordination of such liens for assessments;
- (iii) reserves for Maintenance, repair, and replacement of those parts of the Common Areas that may be replaced or require Maintenance on a periodic basis;

- (iv) insurance or fidelity bond coverages;
- (v) responsibility for Maintenance of the Property;
- (vi) architectural controls;
- (vii) annexation or withdrawal of property to or from the Property, subject to the provisions of Article II;
- (viii) leasing of Living Units;
- (ix) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his property;
- (x) a decision by the Association to establish self-management when professional management had been required previously by a First Mortgagee;
- (xi) restoration or repair of the Common Areas or any improvements thereon after a hazard, damage or partial condemnation;
- (xii) termination of this Declaration after substantial destruction or condemnation occurs; or
- (xiii) any provisions that are for the express benefit of First Mortgagees.

An addition or amendment to this Declaration or related Association documents shall not be considered material if it is for the purpose of correcting technical errors or for clarification only. A First Mortgagee who receives a written request to approve material additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

Section 2. Notice and Other Rights. The Association shall maintain a file of all Eligible Mortgage Holders, with a designation of the property in which they have an interest; and shall send a copy of such list to any First Mortgagee who makes a written request for such list at least once every twelve months. The Association shall give prompt written Notice to each Eligible Mortgage Holder (and each Owner hereby consents to, and authorizes such Notice) of the following:

- (a) Condemnation or Casualty. Any condemnation loss or any casualty loss which affects a material portion of the Common Areas or any Lot which is subject to a First Mortgage or security interest held, insured or guaranteed by such Eligible Mortgage Holder;
- (b) Assessment Delinquency. Any delinquency in the payment of Annual Assessments, Special Assessments or other charges owed by an Owner whose Lot is subject to a First Mortgage or security interest held, insured or guaranteed by such Eligible Mortgage Holder, which delinquency remains uncured for a period of sixty (60) days;

(c) Modification of Cancellation of Insurance Policies. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Other Matters. Any other matter with respect to which Eligible Mortgage Holders are entitled to Notice or to give the consent as provided in this Declaration.

To be entitled to receive Notice of the foregoing, the Eligible Mortgage Holder must send a written request to the Association, stating both its name and address and the Lot and Block designation or address of the Lot on which it has (or insures or guarantees) the Mortgage. Any Eligible Mortgage Holder or Mortgagee who is notified of any matter for which it is entitled to Notice as provided herein (such notice to be Registered Notice), and which fails to respond within thirty (30) days of receipt of such notice shall be deemed to have consented, if applicable, to the matter of which the Eligible Mortgage Holder or Mortgagee was provided Notice.

Section 3. Payment of Taxes and Charges. A First Mortgagee may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Areas, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage upon the lapse of a policy for such Common Areas. The First Mortgagee or First Mortgagees making such payments shall be owed, upon demand, reimbursement therefor by the Association.

Section 4. Casualty Losses. In the event of substantial damage or destruction to any of the Common Areas, the Board of Directors of the Association shall give prompt written notice of such damage or destruction to the Eligible Mortgage Holders who hold First Mortgages of record on the Lots. No provision of this Declaration or the Articles of Incorporation or the Bylaws of the Association shall entitle any Member to any priority over the holder of any First Mortgage of record on his or her 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.

Section 5. Condemnation or Eminent Domain. In the event any part of the Common Areas 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 Eligible Mortgage Holders who hold First Mortgages of record on the Lots. No provision of this Declaration or the Articles of Incorporation or the Bylaws of the Association shall entitle any Member to any priority over the holder of any First Mortgage of record on his or her 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.

Section 6. Collection of Assessments. Mortgagees shall have no obligation to collect Annual Assessments or Special Assessments, or other charges owed by an Owner to the Association.

Section 7. Approvals. So long as the Declarant shall have Class B voting rights, the following actions shall require the prior approval of the Federal Mortgage Agencies:

(a) annexation of additional properties not within the initial Property; (b) dedication of the Common Areas, except to the extent contemplated by this Declaration; (c) mergers and consolidations; (d) mortgaging of the Common Areas; and (e) amendment of this Declaration and any Supplementary Declaration in a manner restricted by the regulations of such Federal Mortgage Agency.

ARTICLE IX

MANAGEMENT

Section 1. Management Agent. The Board of Directors may employ for the Association a 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, including, but not limited to, the following:

(a) Collection of Assessments. To establish (with the approval of the Board of Directors of the Association) and provide for the collection of the Annual Assessments and Special Assessments provided for in this Declaration and to provide for the enforcement of liens therefor in a manner consistent with the law and the provisions of this Declaration; and

(b) Maintenance. To provide for the care, upkeep, Maintenance and surveillance of the Common Areas and facilities thereon; and

(c) Personnel. 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 facilities thereon; and

(d) Rules. To promulgate (with the approval of the Board of Directors of the Association) and enforce the Rules and restrictions or requirements, "house rules" or the like as may be deemed proper respecting the use of the Common Areas and facilities thereon; and

(e) Other Services. 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. Term of Management Agreement. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause 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 periods of one (1) year each.

Any management agreement entered into while the Declarant is in control of the Association must be terminable, without cause, any time after transfer of control, on not less than thirty (30) days, nor more than ninety (90) days, notice, and no charge or penalty may be associated with such termination.

ARTICLE X

COVENANT IN FAVOR OF THE MARYLAND NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Any other provision of this Declaration or the other Governing Documents of the Association 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 of the Commission, which consent shall not be unreasonably withheld or delayed:

- (a) Annexation. Make any annexation or additions of real property, other than as contemplated by this Declaration; or
- (b) Abandonment or Transfer of Common Areas. Abandon, partition, dedicate, subdivide, encumber, sell or transfer any of the Common Areas; provided, however, that the granting of rights-of-ways, easements and the like for public utilities and cable television or for other purposes consistent with the use of the Common Areas by the Members of the Association shall not be considered a transfer within the meaning of this Article X; or
- (c) Abandonment or Termination of Declaration. Abandon or terminate this Declaration or other Governing Documents; or
- (d) Amendment of Governing Documents. Modify or amend any material or substantive provision of this Declaration, or the Bylaws or the Articles of Incorporation of the Association; or
- (e) Merger or Consolidation. 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 to any other entity; or
- (f) Assessments. Substantially modify the method of determining and collecting assessments as provided in this Declaration.

The Commission shall have the right to bring action for any legal or equitable relief necessary to enforce the rights and powers granted to the Commission hereunder.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Duration. 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 for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty-five (25) years, unless the covenants and restrictions are expressly terminated by an instrument signed by (i) not less than seventy five percent (75%) of the Class A Members, (ii) the Class B Member, if the Class B membership shall continue to exist, (iii) and sixty seven percent (67%) of the First

Mortgagees. A termination must be recorded among the Land Records of the County in order to become effective.

Section 2. Amendment. This Declaration may only be amended by an instrument signed by, or the affirmative vote of, the Class A Members entitled to cast not less than sixty-seven percent (67%) of the total authorized votes in the Association, and the consent of the Class B Member, so long as the Class B Membership shall continue to exist. Notwithstanding the foregoing, the prohibition on the use of a Living Unit as a "family day care home" set forth in Article VI, Section 1(a) may be eliminated by approval of a simple majority of the total authorized votes of all Members. All amendments must be recorded in the Land Records of the County, in order to become effective.

Section 3. Changes and Modifications by the Declarant. Notwithstanding any other provision, express or implied, of this Declaration to the contrary, for a period of ten (10) years after the recordation of this Declaration, the Declarant may unilaterally (without the consent of the Members of the Association or any other party), make any amendment to this Declaration, in the exercise of its sole discretion and with the irrevocable power as attorney-in-fact on behalf of all Members (which power shall be deemed coupled with an interest) which is required by any of the Federal Mortgage Agencies or any Governmental Authority as a condition of approval of the development of the Property, or which is required in connection with any changes in the governmental approvals which exist as of the date of this Declaration with respect to the Property, or to reflect the grant and conveyance of any easements reserved to the Declarant, or to correct errors or omissions herein, or an inconsistency or a scrivener's error, or to clarify an ambiguity in this Declaration (including, without limitation, recalculating the liability for assessments or the number of votes in the association appertaining to a Lot), or to modify, amend or change any of the provisions of this Declaration, the Articles of Incorporation and the Bylaws of the Association, as the Declarant may deem necessary or desirable. Any such amendment shall be made by the execution and recordation of such amendment and Registered Notice of such amendment shall be provided to all Owners. After such ten (10) year period, or to make any amendment which is not one required by the Federal Mortgage Agencies or any Governmental Authority, or which is not otherwise permitted above to be made unilaterally by the Declarant, any amendment shall be accompanied by (a) a document signed by (i) Class A Members holding not less than sixty seven percent (67%) of the votes in the Association, (ii) the Class B Member, if Class B membership still exists, and (iii) the Association, and (b) evidence of the approval required in Article VIII above. Regardless of the date of recordation of this Declaration, the principal officer of the Association may also unilaterally execute and record such a corrective amendment as described above upon a vote of sixty-seven percent (67%) of the members of the Board of Directors of the Association. All amendments must be recorded in the Land Records of the County in order to become effective.

Notwithstanding any other provision regarding amendment of this Declaration, the obligations of the Association set forth in Article IV, Sections 1 and 2 of this Declaration with respect to the Maintenance of the Shared Private Road, private streets, street lights, private alleyways, sidewalks and walkways adjacent thereto, private waterlines, watermains, storm drains, private water and sanitary sewer systems the Storm Water Management Facilities shall be perpetual and may not be amended without the prior written consent of the County and the Washington Suburban Sanitary Commission.

Section 4. Enforcement. The Association, the Declarant, any Owner, and any First Mortgagee, as their interests may appear, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration and any Supplementary Declarations. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. 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 covenants or restrictions in this Declaration or any provision of the Bylaws or Articles of Incorporation of the Association cannot be adequately remedied by action at law or exclusively by recovery of damages. If the Association, or any Owner or Mortgagee of any Lot, successfully brings an action to extinguish a violation or otherwise enforce the provisions of this Declaration or the Articles of Incorporation or Bylaws of the Association, the costs of such action, including legal fees, shall become a binding, personal obligation of the Owner committing or responsible for such violation, and such costs shall also be a lien upon the Lot of such Owner.

Section 5. Certain Rights of the Declarant. For such time as the Declarant (or an assignee or successor to the Declarant as described in Article III, Section 2(c) hereof) shall own Lots, its rights and interests shall not be prejudiced by any amendment to the Governing Documents which results in any of the following actions unless it shall, in writing, join in such actions:

- (a) Discrimination. Discriminates or tends to discriminate against its rights as an Owner;
- (b) Definitions. Changes Article I, Definitions, in a manner which alters its rights or status;
- (c) Annexation. Alters its rights under Article II with respect to the annexation of additional properties;
- (d) Membership Rights. Alters the character and rights of membership or the rights of the Declarant as set forth in Article III;
- (e) Agreements with Governmental Authorities. Alters previously recorded or written agreements with Governmental Authorities with respect to easements and rights of way;
- (f) Conveyance of Common Areas. Denies the right to convey Common Areas to the Association so long as such Common Areas lie within the land area represented in the Property;
- (g) Design Controls. Alters its rights as set forth in Article III relating to design controls;
- (h) Assessments. Alters the basis for assessments;
- (i) Protective Covenants. Alters the provisions of the protective covenants as set forth in Article VI;

- (j) Directors. Alters the number or selection of Directors as established in the Bylaws; or
- (k) Declarant's Rights. Alters the Declarant's rights as they appear under this Article.

No amendment to this Declaration, the Articles of Incorporation or the Bylaws may remove, revoke, or modify any right, reservation or privilege of the Declarant without the prior written consent of the Declarant or any successors or assigns of the Declarant.

Section 6. Implied Rights of the Association. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws or any lease, easement or other agreement or document affecting the Association, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 7. Declarant's Power of Attorney. Notwithstanding any provision to the contrary contained in the Articles of Incorporation or Bylaws of the Association or this Declaration, the Declarant hereby reserves for itself, its successors, transferees and assigns, for a period of ten (10) years from the date the last Lot is conveyed to a Class A Member the right to execute on behalf of all contract purchasers, Owners, Eligible Mortgage Holders, mortgagees, and other lien holders or parties claiming a legal or equitable interest in any Lot or the Common Areas, any such agreements, documents, amendments or supplements to this Declaration, the Articles of Incorporation and Bylaws of the Association which may be required by FNMA, FHA, VA, FHLMC, GNMA, or by the State of Maryland or any other Governmental Authority having regulatory jurisdiction over the Association, any public or private utility company designated by the Declarant, any institutional lender or title insurance company designated by the Declarant, or as may be required to comply with the Fair Housing Amendments Act of 1988, as amended, to comply with the Act, or to comply with other applicable Laws.

(a) Consent by Other Parties. By acceptance of a deed to any Lot or by the acceptance of any other legal or equitable interest in the Lots or Common Areas, each and every such contract purchaser, Owner, Eligible Mortgage Holder, Mortgagee or other lien holder or party having a legal or equitable interest in any Lot or the Common Areas does automatically and irrevocably name, constitute, appoint and confirm the Declarant, its successors, transferees and assigns, as attorney-in-fact for the purpose of executing such agreement, document, amendment, supplement and other instrument(s) necessary to effect the foregoing subject to the limitations set forth herein.

(b) Required Consent. No agreement, document, amendment, supplement or other instrument which adversely affects the value of a Lot, or substantially increases the financial obligations of an Owner, or reserves any additional or special privileges for the Declarant not previously reserved, shall be made without the prior written consent of the affected Owner(s) and all owners of any Mortgage(s) encumbering the Lots owned by the affected Owner(s). Any such agreement, document, amendment, supplement or instrument which adversely affects the priority or validity of any Mortgage which encumbers any Lot or the

Common Areas shall not be made without the prior written consent of the owners of all such Mortgages.

(c) Power of Attorney Coupled with an Interest. The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Lots and Common Areas and shall be binding upon the heirs, personal representatives, successors, transferees and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power of attorney. Said power of attorney shall be vested in the Declarant, its successors, transferees and assigns until the initial conveyance of all Lots and Common Areas planned to be annexed within the jurisdiction of the Association or the expiration of same.

Section 8. 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 an instrument, in writing, without notice to the Association.

Section 9. 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 persons 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 other property within the control or supervision of the Association, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any Owner or Occupant for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Areas or other property within the control or supervision of the Association. 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 other property within the control or supervision of the Association, 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 Governmental Authority.

Section 10. Litigation. Except for purposes of collecting assessments hereunder, or enforcing the obligations of the Owners (other than the Declarant) under the Governing Documents, or actions involving a claimed amount of less than \$10,000, no litigation shall be initiated by or on behalf of the Association without the affirmative vote of Class A Members holding at least sixty-seven percent (67%) of the votes in the Association, and the Class B Member, if Class B membership still exists.

Section 11. Limitations. As long as the Declarant has an interest in developing the Property as defined in Article I hereof, the Association may not use its financial resources to defray any costs of opposing the development activities of the Declarant. Nothing in this Section shall be construed to limit the rights of Members to act as individuals or in affiliation with other Members or groups.

Section 12. Severability. Each provision of a Governing Document is severable from every other provision, and the invalidity of any one of the provisions of a Governing Document

by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect. To the extent that any provision of the Governing Documents is determined to be overly broad or unenforceable, and a narrower or partially enforceable construction may be given to such provision, then the narrower or partially enforceable construction shall be applied and, to the extent practicable, the provision shall be enforced.

Section 13. Conflict. In the event of conflict among the Governing Documents, this Declaration shall control, then any Supplementary Declarations, then the Articles of Incorporation of the Association, then the Bylaws, and then the Rules; provided, however, that in all cases where the Governing Documents are found to be in conflict with any statute, the statute shall control.

Section 14. Interpretation. Unless the context otherwise requires, the use of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the term "including" shall mean "including, without limitation." This Declaration shall be liberally construed in favor of the party seeking to enforce the provisions hereof to effectuate the purpose of protecting and enhancing the value, marketability, and desirability of the Property by providing a common plan for the development thereof. The headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing the substantive provisions hereof.

Section 15. Taxes and Assessments. It is the intent of this Declaration that inasmuch as the interest of each Owner to use and enjoy the Common Areas is an interest in real property appurtenant to each Lot, the value of the interest of each Owner in such Common Areas shall be included in the Annual Assessment for each such Lot, and, as a result, any assessment directly against such Common Areas 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. Perpetuities. If any of the covenants, restrictions, or other provisions of this Declaration shall be unlawfully void, or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

ARTICLE XII

DISSOLUTION OF THE ASSOCIATION

The Association may be dissolved with the written consent of (i) at least seventy five percent (75%) of the Class A Members (ii) and the consent of the Class B Member, if any, and the consent of at least sixty seven percent (67%) of the First Mortgagees. Prior to the dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be offered for dedication to the State of Maryland. In the event that such dedication is refused acceptance upon dissolution, such assets shall be granted, conveyed, and assigned to any non profit corporation, association, trust, or other organization to be devoted to similar purposes.

[Signatures on following pages]

The undersigned Beneficiary and Trustee under that certain Deed of Trust and Security Agreement made by FP Homes Associates Limited Partnership, dated as of November9, 2004 and recorded November 16, 2004 in Liber 28678 at folio 086 among the Land Records of Montgomery County, Maryland , securing Wachovia Bank, National Association, hereby consent to the within Declaration and hereby subordinate the lien of said Deed of Trust to the lien, legal effect and operation of said Declaration.

IN WITNESS WHEREOF, the Beneficiary has caused this instrument to be executed by Margaret J. Dunsmore, its Vice President, as the act and deed of the Beneficiary as of the date first above written; and the Trustee has caused this instrument to be executed by Margaret J. Dunsmore its Vice President, as the act and deed of the Trustee as of the date first above written.

WITNESS:

BENEFICIARY

WACHOVIA BANK, NATIONAL ASSOCIATION

Frances Wilson
Name: FRANCES WILSON
Title: _____

By: Margaret J. Dunsmore
Name: Margaret J. Dunsmore
Title: Vice President

WITNESS:

TRUSTEE

TRSTE, INC., a Virginia corporation

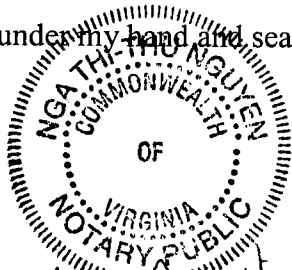
Frances Wilson
Name: FRANCES WILSON
Title: _____

By: Margaret J. Dunsmore
Name: Margaret J. Dunsmore
Title: Vice President

COMMONWEALTH OF VIRGINIA)
) ss:
COUNTY OF FAIRFAX)

On this the 13th day of October, 2005, before me, Nga Thi-Thu Nguyen the undersigned officer, personally appeared Margaret J. Dunsmuir, who acknowledged himself/herself to be the Vice President of Wachovia Bank, National Association, a national banking association, and that he/she, as such officer, being authorized so to do executed the foregoing instrument for the purposes therein contained, by signing the name of Wachovia Bank, National Association by himself/herself as Vice President.

GIVEN under my hand and seal this 13th day of October, 2005.



Nga Thi-Thu Nguyen
Notary Public

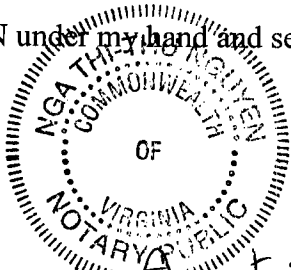
[Notarial Seal]

My commission expires: August 31, 2007

COMMONWEALTH OF VIRGINIA)
) ss:
COUNTY OF FAIRFAX)

On this the 13th day of October, 2005, before me, Nga Thi-Thu Nguyen, the undersigned officer, personally appeared Margaret J. Dunsmuir, who acknowledged himself/herself to be the Vice President of TRSTE, INC., a Virginia corporation, and that he/she, as such officer, being authorized so to do executed the foregoing instrument for the purposes therein contained, by signing the name of TRSTE, INC, by himself/herself as Vice President.

GIVEN under my hand and seal this 13th day of October, 2005



Nga Thi-Thu Nguyen
Notary Public

[Notarial Seal]

My commission expires: August 31, 2007

EXHIBIT A**LEGAL DESCRIPTION OF PROPERTY**

All those certain parcels of land located in the Montgomery County, Maryland and described as follows:

Lots 1 through 81, inclusive, and Parcels lettered "B", "D", "AA" and "BB", all in Block H in a subdivision known as "WHEEL OF FORTUNE" per plat thereof recorded as Plat No. 23032 among the Land Records of Montgomery County, Maryland.

and

Lots 82 through 150, inclusive, and Parcels lettered "A", "C" and "Z", all in Block H in a subdivision known as "WHEEL OF FORTUNE" per plat thereof recorded as Plat No. 23031 among the Land Records of Montgomery County, Maryland.

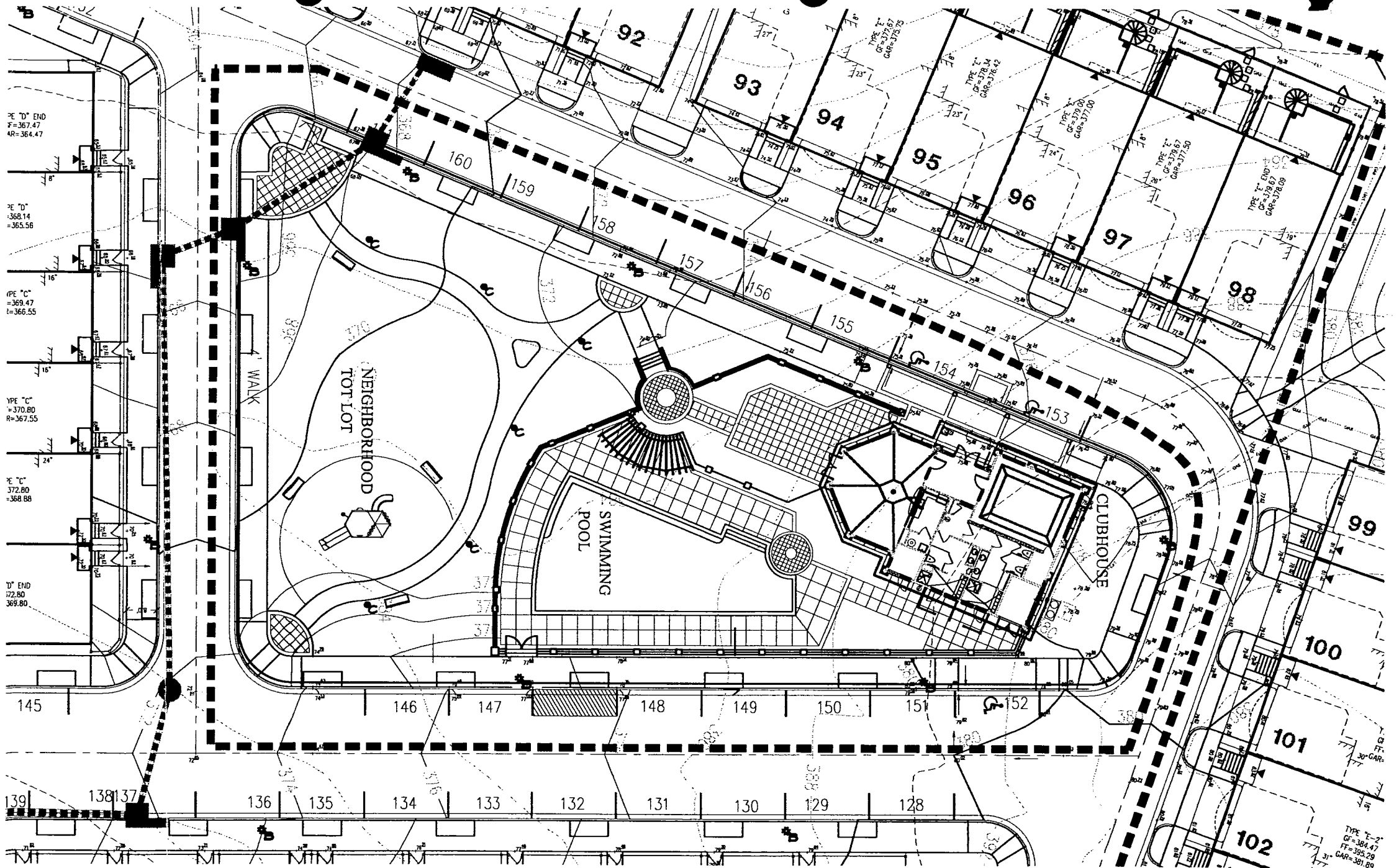
31059: 636

EXHIBIT B

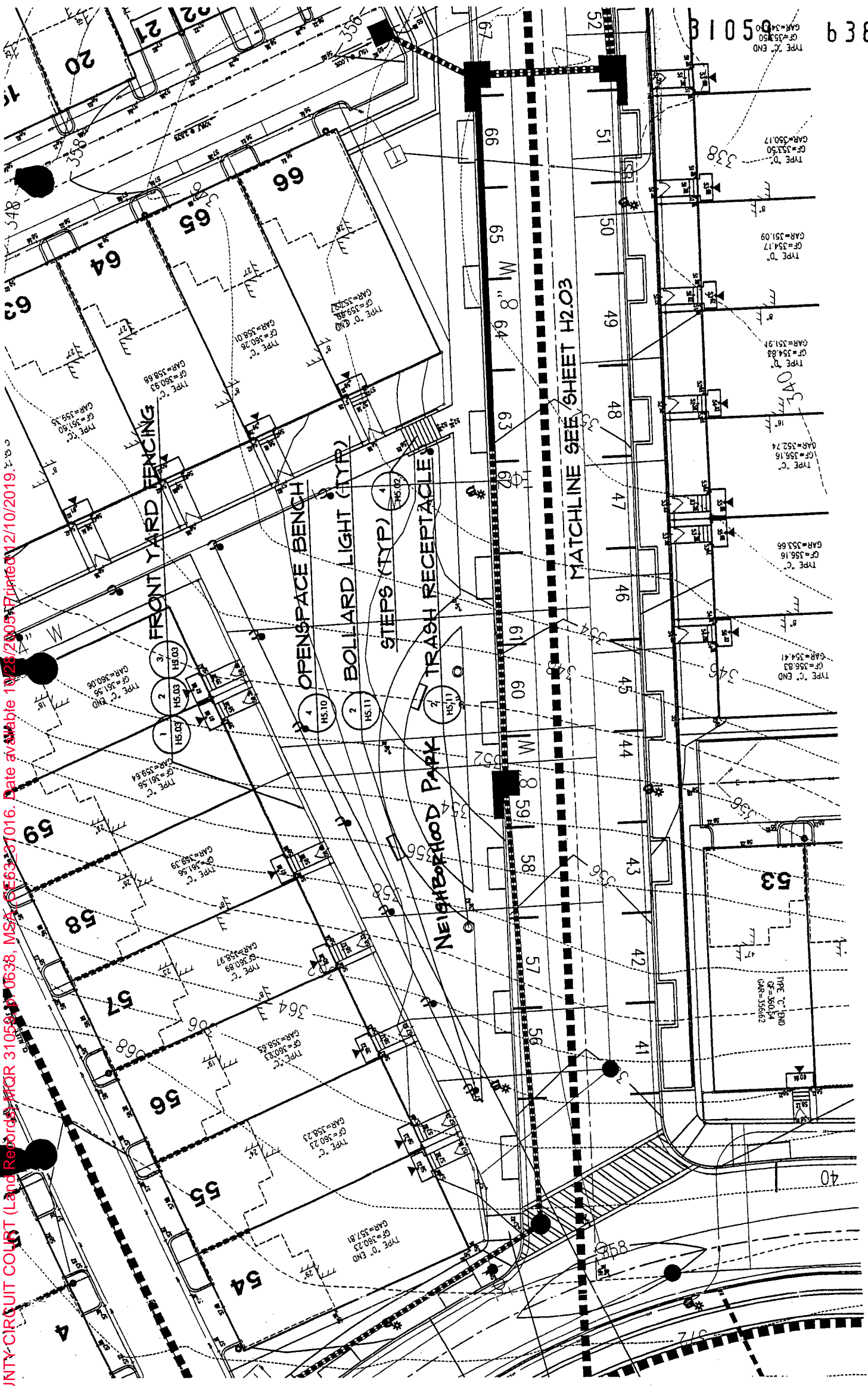
RECREATIONAL AMENITIES PLAN

[SEE ATTACHED]

Recreational Amenities Plan
1 of 2



31059 637



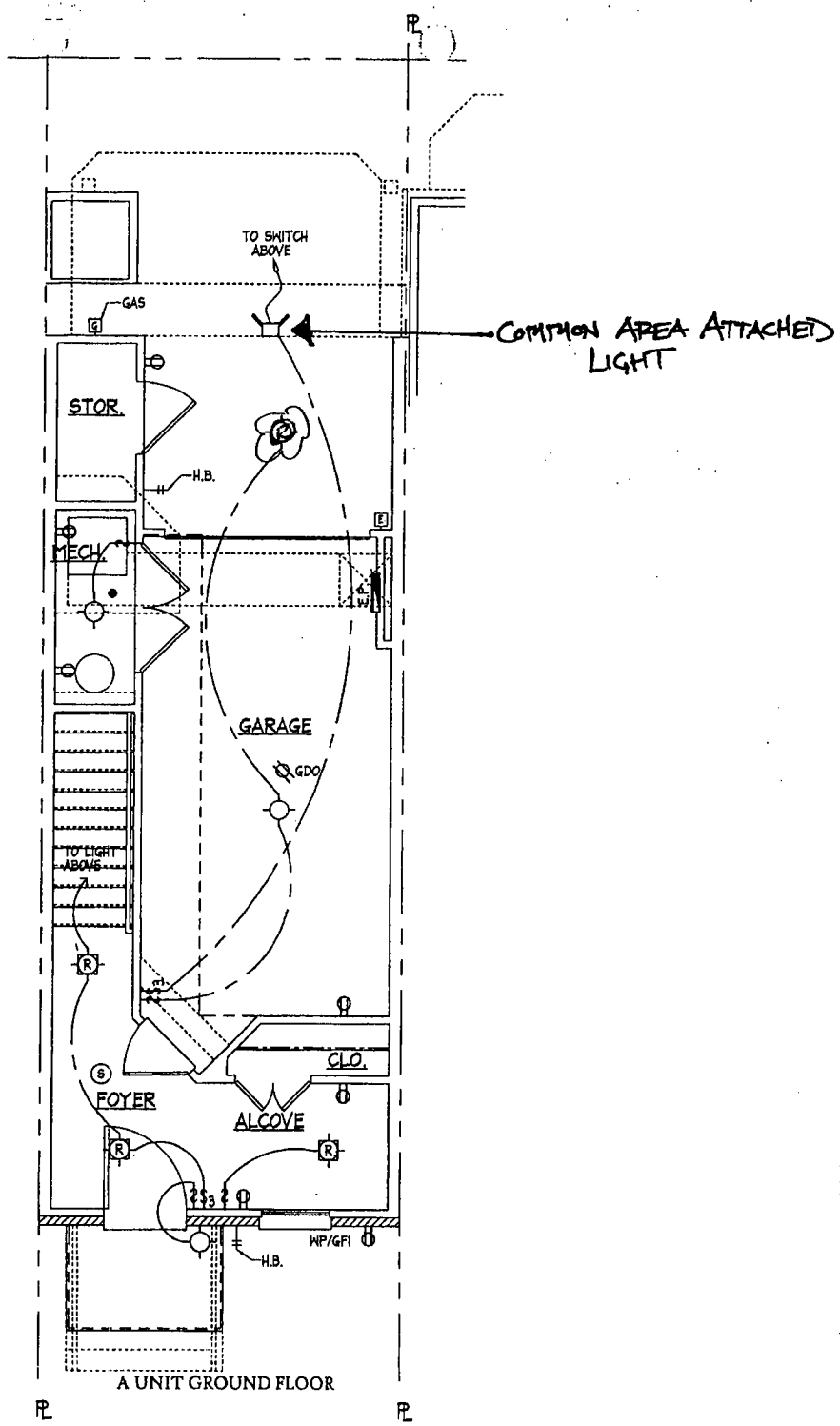
Recreational Amenities Plan
2 of 2

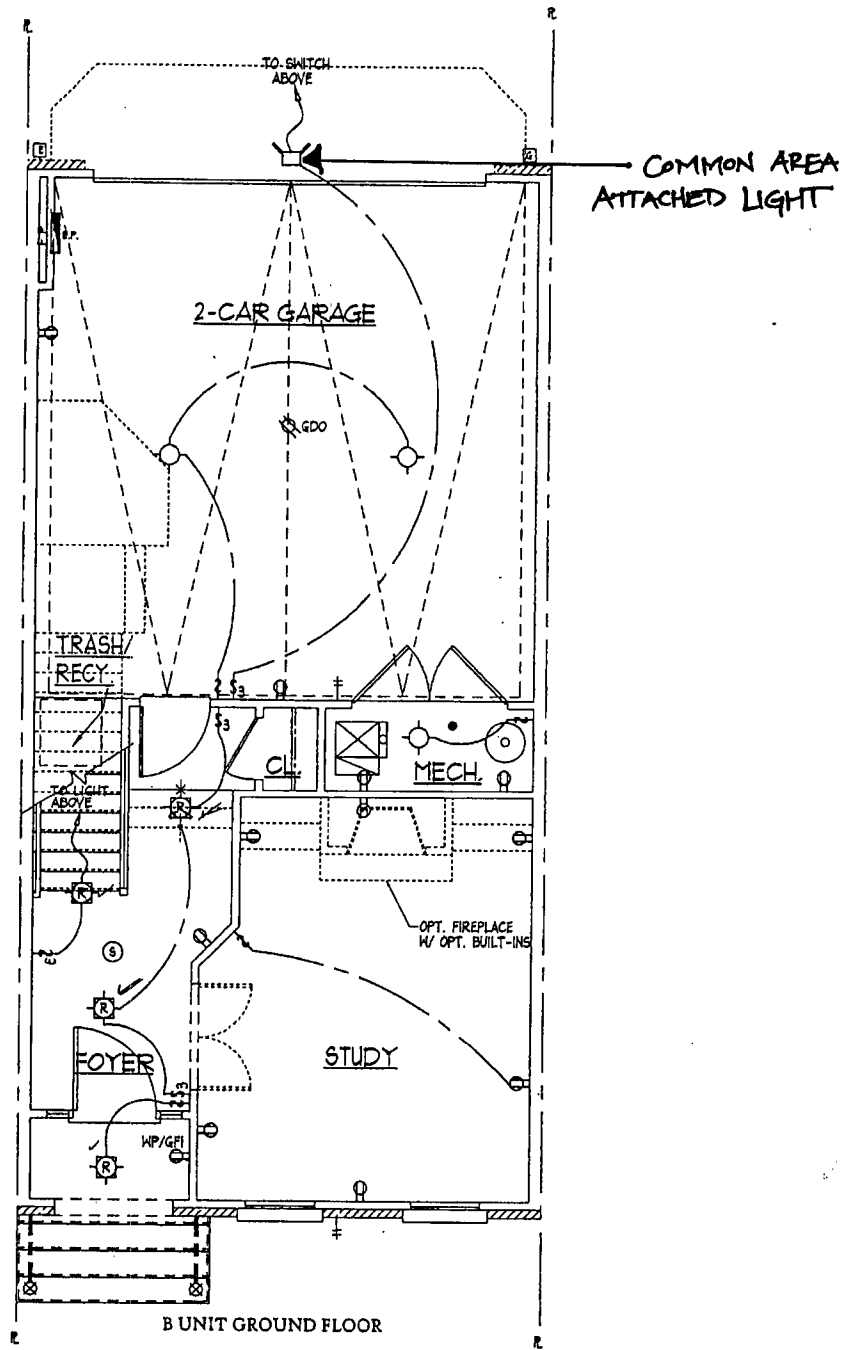
31059, 639

EXHIBIT C

COMMON AREA ATTACHED LIGHTS

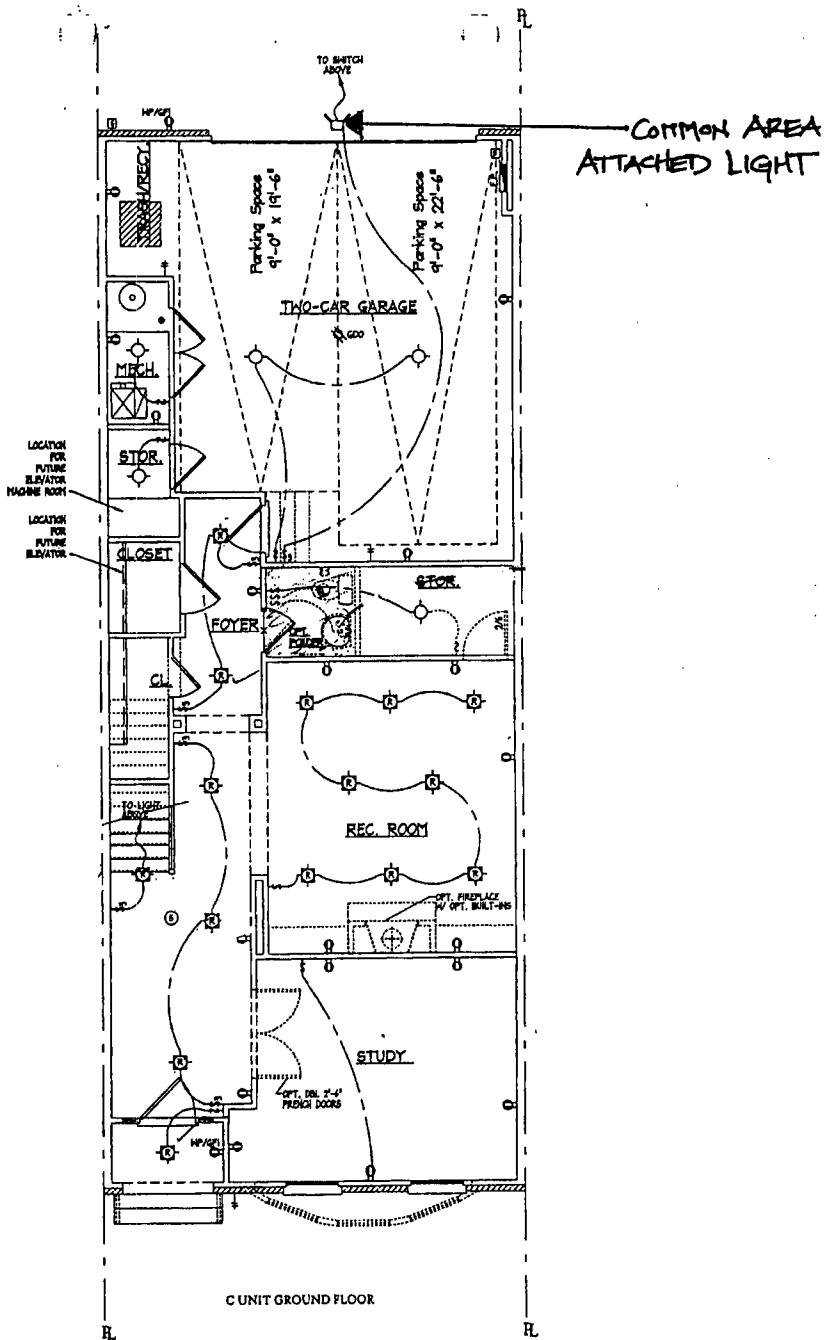
[SEE ATTACHED]



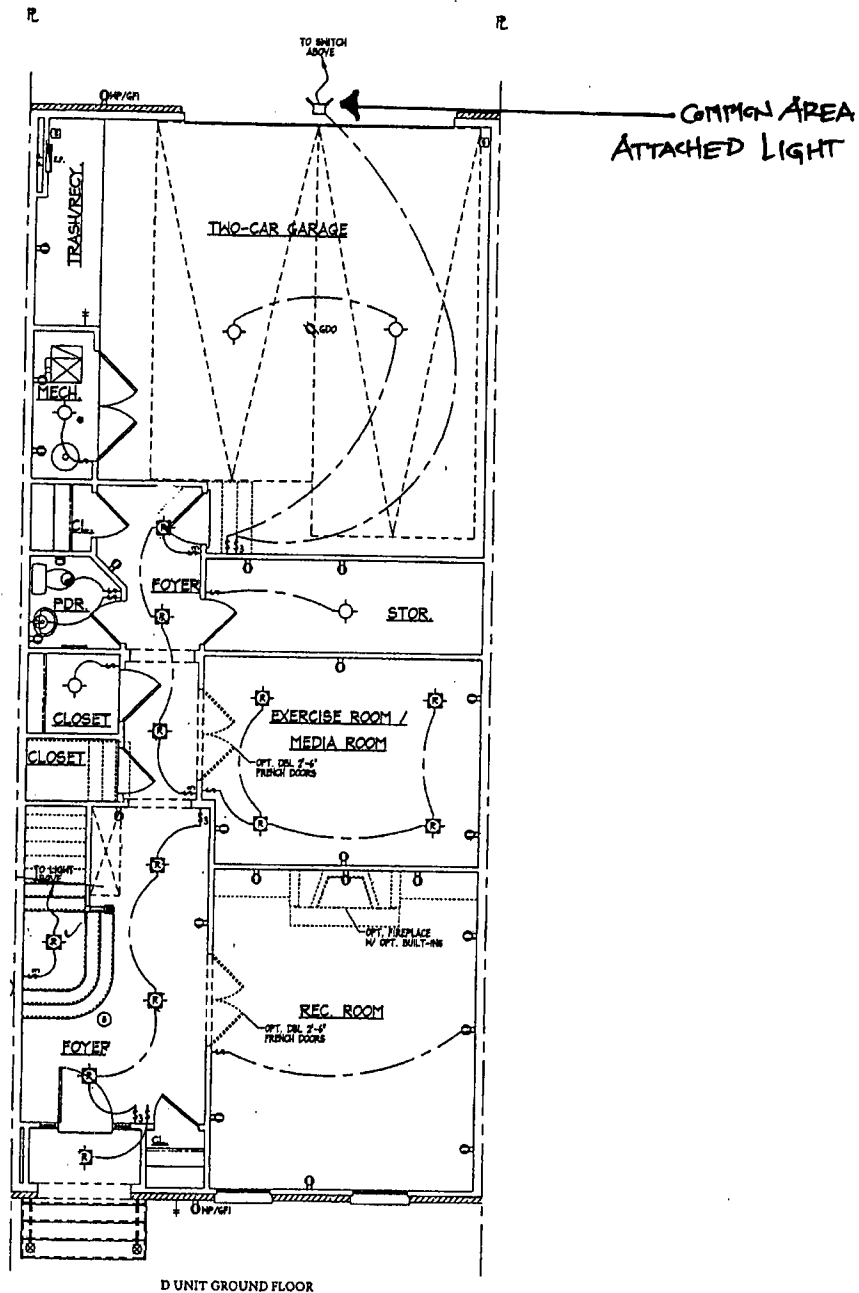


31059

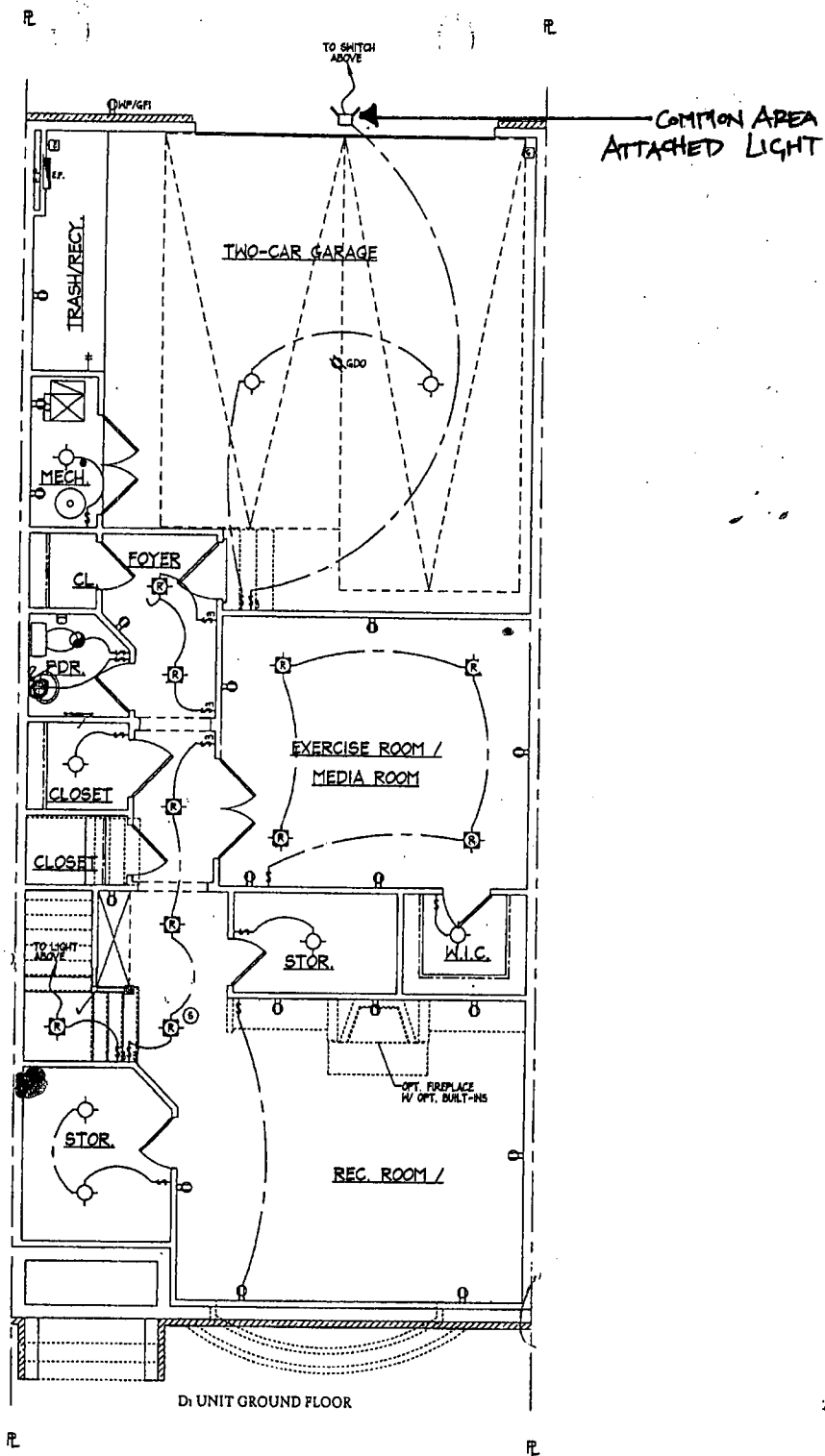
642



31059 643



31059 644



TAX IDENTIFICATION NUMBERS

LOTS 1 THROUGH 150, PARCELS "A", "B", "C", "D", "Z", "AA", "BB"
BLOCK H, WHEEL OF FORTUNE
MONTGOMERY COUNTY, MARYLAND

<u>LOT NUMBER</u>	<u>IDENTIFICATION NUMBER</u>
1	04-03458920
2	04-03458931
3	04-03458942
4	04-03458953
5	04-03458964
6	04-03458975
7	04-03458986
8	04-03458997
9	04-03459002
10	04-03459013
11	04-03459024
12	04-03459035
13	04-03459046
14	04-03459057
15	04-03459068
16	04-03459070
17	04-03459081
18	04-03459092
19	04-03459104
20	04-03459115
21	04-03459126
22	04-03459137
23	04-03459148
24	04-03459150
25	04-03459161
26	04-03459172
27	04-03459183
28	04-03459194
29	04-03459206
30	04-03459217
31	04-03459228
32	04-03459230
33	04-03459241
34	04-03459252
35	04-03459263
36	04-03459274

TAX IDENTIFICATION NUMBERS - CONTINUED

LOTS 1 THROUGH 150, PARCELS "A", "B", "C", "D", "Z", "AA", "BB"
BLOCK H, WHEEL OF FORTUNE
MONTGOMERY COUNTY, MARYLAND

<u>LOT NUMBER</u>	<u>IDENTIFICATION NUMBER</u>
37	04-03459285
38	04-03459296
39	04-03459308
40	04-03459310
41	04-03459321
42	04-03459332
43	04-03459343
44	04-03459354
45	04-03459365
46	04-03459376
47	04-03459387
48	04-03459398
49	04-03459401
50	04-03459412
51	04-03459423
52	04-03459434
53	04-03459445
54	04-03459456
55	04-03459467
56	04-03459478
57	04-03459480
58	04-03459491
59	04-03459503
60	04-03459514
61	04-03459525
62	04-03459536
63	04-03459547
64	04-03459558
65	04-03459560
66	04-03459571
67	04-03459582
68	04-03459593
69	04-03459605
70	04-03459616
71	04-03459627
72	04-03459638
73	04-03459640

TAX IDENTIFICATION NUMBERS – CONTINUED

LOTS 1 THROUGH 150, PARCELS "A", "B", "C", "D", "Z", "AA", "BB"
BLOCK H, WHEEL OF FORTUNE
MONTGOMERY COUNTY, MARYLAND

<u>LOT NUMBER</u>	<u>IDENTIFICATION NUMBER</u>
74	04-03459651
75	04-03459662
76	04-03459673
77	04-03459684
78	04-03459695
79	04-03459707
80	04-03459718
81	04-03459720
82	04-03458190
83	04-03458202
84	04-03458213
85	04-03458224
86	04-03458235
87	04-03458246
88	04-03458257
89	04-03458268
90	04-03458270
91	04-03458281
92	04-03458292
93	04-03458304
94	04-03458315
95	04-03458326
96	04-03458337
97	04-03458348
98	04-03458350
99	04-03458361
100	04-03458372
101	04-03458383
102	04-03458394
103	04-03458406
104	04-03458417
105	04-03458428
106	04-03458430
107	04-03458441
108	04-03458452
109	04-03458463
110	04-03458474

TAX IDENTIFICATION NUMBERS – CONTINUED

LOTS 1 THROUGH 150, PARCELS "A", "B", "C", "D", "Z", "AA", "BB"
BLOCK H, WHEEL OF FORTUNE
MONTGOMERY COUNTY, MARYLAND

<u>LOT NUMBER</u>	<u>IDENTIFICATION NUMBER</u>
111	04-03458485
112	04-03458496
113	04-03458508
114	04-03458510
115	04-03458521
116	04-03458532
117	04-03458543
118	04-03458554
119	04-03458565
120	04-03458576
121	04-03458587
122	04-03458598
123	04-03458601
124	04-03458612
125	04-03458623
126	04-03458634
127	04-03458645
128	04-03458656
129	04-03458667
130	04-03458678
131	04-03458680
132	04-03458691
133	04-03458703
134	04-03458714
135	04-03458725
136	04-03458736
137	04-03458747
138	04-03458758
139	04-03458760
140	04-03458771
141	04-03458782
142	04-03458793
143	04-03458805
144	04-03458816
145	04-03458827
146	04-03458838
147	04-03458840
148	04-03458851

TAX IDENTIFICATION NUMBERS – CONTINUED

**LOTS 1 THROUGH 150, PARCELS "A", "B", "C", "D", "Z", "AA", "BB"
BLOCK H, WHEEL OF FORTUNE
MONTGOMERY COUNTY, MARYLAND**

LOT NUMBER

IDENTIFICATION NUMBER

149

04-03458862

150

04-03458873

PARCEL

IDENTIFICATION NUMBER

"A"

04-03458166

"B"

04-03458884

"C"

04-03458177

"D"

04-03458895

"Z"

04-03458188

"AA"

04-03458907

"BB"

04-03458918