

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

THE ROSE HILL FALLS COMMUNITY ASSOCIATION

THIS DECLARATION, is made this 18th day of September, 1991, by FALLS ROAD LIMITED PARTNERSHIP, a Maryland limited partnership, hereafter called the "Declarant", and is based on the following premises:

The Declarant is the owner of the real property located in the City of Rockville, Montgomery County, Maryland, described in Article II and intends to develop a residential community on that property, with permanent common areas and community facilities for the benefit of the community.

The Declarant wishes to provide for the preservation of the values and amenities in the community and for the maintenance of common areas and community facilities and, to this end, intends to subject the property described in Article II to the covenants and restrictions of this Declaration, all of which are for the benefit of the property described (the "Property") and its subsequent owners.

For the efficient preservation of the values and amenities in the community, the Declarant has determined that an association should be formed to which should be delegated the powers and duties of maintaining and administering the common areas and community facilities, administering and enforcing the covenants, and restrictions and disbursing the charges and assessments hereafter created.

The association for all of the property owners is hereby declared to be a non-profit, unincorporated Association under the laws of the State of Maryland for the purposes of carrying out the powers and duties described below. It is understood that the association of owners is accomplished under the protection of Section 11-105 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland, which provides that a money judgment against the association may not be enforced against the property of any member.

NOW THEREFORE, the Declarant hereby declares that the real property described in Article II is and shall be conveyed or encumbered, used, occupied and improved subject to the covenants and restrictions (hereafter sometimes referred to as "covenants and restrictions") hereafter set forth, all of which are declared and agreed to be in aid of a plan for improvement of the property, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and any person owning an interest in the property and improvements, including, without limitation, any person, group of persons, corporation, trust or other legal entity, or any combination thereof, who holds such interest solely as security of the performance of an obligation.

ARTICLE I

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

(a) "Association" means the Rose Hill Falls Community Association, its successors, and assigns.

(b) "Board of Directors" means the Board of Directors from time to time of the Association.

(c) "Architectural and Environmental Preservation Committee" means the Architectural and Environmental Preservation Committee established pursuant to Article VII hereof.

(d) "Common Areas" and "Community Facilities" means all real property owned or leased by the Association or otherwise available to the Association for the benefit, use and enjoyment of its members.

(e) "Community Facilities Committee" means the committee of Owners appointed by the Board of Directors, from time to time, to administer the use and maintenance of the Common Areas and Community Facilities.

(f) "Declarant" or "Developer" or "Grantor" means the Declarant identified in the preamble to the Declaration, and its successors and assigns; provided, however, that the rights, obligations and powers of the Declarant shall not inure to the benefit of or burden the successors and assigns of the Declarant except to the extent that any of them are specifically assigned or transferred to any such successor or assign by instrument in writing.

(g) "Dwelling" means any building or portion of a building situated upon the Property and designed for use as a residence.

(h) "Lot" means any subdivided and developable parcel of the property.

(i) "Member" means every person, group of persons, corporation, trust or other legal entity, or any combination thereof, who holds any class of membership in the Association. Whenever in this Declaration any action is required to be taken by a specified percentage of "each class of the then members" of the Association, then such action shall be required to be taken separately by the specified percentage of the then outstanding Class A members of the Association and by the specified percentage of the then outstanding Class B members of the Association. Whenever any action is required to be taken by a specified percentage of the "then members" of the Association, then such action shall be required to be taken by the specified percentage of the then outstanding cumulative membership of the Association.

(j) "Mortgagee", as used herein means the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage", as used herein, shall include deed of trust. "First Mortgage" shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loans associations,

trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association (“FNMA”), Government National Mortgage Association (“GNMA”), Federal Home Loan Mortgage Corporation (“FHLMC”), all corporations and any agency or department of the United States Government or of any state or municipal government. As used in this Declaration the terms “holder” and “mortgagee” shall include the parties secured by any deed of trust or any beneficiary thereof.

(k) “Owner” shall mean the record owner, whether one or more persons or entities of the fee simple title to any Lot in the Property, including contract sellers, but excluding those having such interest solely as security for the performance of an obligation.

(l) “Plat” shall mean the final Plats of Subdivision pertaining to the property to be approved by the authorities having jurisdiction of them and recorded in the Land Records of Montgomery County.

(m) “Project” and “Community”, when used in this Declaration, mean the community being developed by the Declarant and subjected to this Declaration.

(n) “Property” shall mean all real property described in Article II hereof and the additions to it hereafter made pursuant to the provisions of Article II.

(o) “Townhouse” shall mean any residential structure attached to another by a party-wall.

(p) “Townhouse Member” shall mean a Member, as defined above, who owns a Townhouse, as defined above.

ARTICLE II

1. Property Subject to Declaration. The real property which is, and shall be held, conveyed, used or encumbered subject to this Declaration is located in the City of Rockville, Montgomery County, Maryland and is described on EXHIBIT A attached hereto as a part hereof.

2. Additions. The property described on Exhibit A-1, the balance of the Community not originally declared subject to the terms of this Declaration, shall be added to the Community in increments, of such dimension as Declarant may determine to be self –sustaining when annexed to property previously subjected to the terms hereof. All of the property described in Exhibit A-1 will, ultimately, be included within the Community. This obligation to expand the Community to include the property described in Exhibit A-1 shall run with the land described in Exhibits A and A-1. These annexations shall be made by recording a Supplementary Declaration of Covenants in the Land Records for Montgomery County, Maryland. Such Supplementary Declaration may contain such complementary additions and modifications to the covenants as may be necessary to reflect the different character or land use of the property annexed, provided, however, that in no event shall any such addition or modification be substantially inconsistent with the provisions of the within Declaration.

ARTICLE III

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

(a) There shall be a Class A membership in the Association appurtenant to each Lot subject to this Declaration. With the exception of the Declarant, every person or legal entity, or any combination thereof, who is a record owner of a fee interest in a Lot which is part of the premises described in Article II of this Declaration, or which otherwise becomes subject by the covenants set forth in this Declaration to assessment by the Association, shall be a Class A member of the Association; provided, however, that the holder of an interest solely as security for the performance of an obligation shall not be a Class A member by reason of that interest. Each Class A member shall be entitled to one (1) vote for each Lot in which such member holds the interest required for Class A membership.

(b) There shall be as many Class B memberships as there are Class A memberships in the Association. The Class B member shall be the Declarant, its nominee or nominees, including any builder who has acquired Lots for home building purposes, and shall include every person or legal entity, or any combination thereof, who shall obtain any Class B membership by specific assignment from the Declarant. Each Class B member shall be entitled to three (3) votes for each Class B membership which t holds. The Declarant shall lose three (3) votes for each Lot conveyed to a third-party purchaser (other than a builder to whom a lot has been sold for purposes of constructing a residence). At such time as all Lots have been conveyed to third-party purchasers, the Class B memberships shall be deemed terminated and of no further validity. Notwithstanding the foregoing, holders of Class B memberships may, at any time, exchange a Class B membership for a class A membership and thereby assume it s responsibilities and financial obligations.

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

ARTICLE IV

1. Members Right of Enjoyment. Every member shall have a right and easement of enjoyment of the Common Areas and Community Facilities and such easement shall be appurtenant to and pass with the fee title to every Lot subject to the following:

(a) the right of the Association, in accordance with its Bylaws, and with the consent of two-thirds (2/3) of each class of the then members of the Association, voting separately, to borrow money for the purpose of improving Common Areas and Community Facilities in a manner designed to promote the enjoyment and welfare of the members for this purpose to mortgage any of the Common Areas and Community Facilities; and

(b) the right of the Association to take such steps as are in conformity with the provisions of this Declaration and are reasonably necessary to protect the Property of the Association against mortgage default and foreclosures; and

(c) the right of the Association to adopt reasonable rules for the use of the Common Areas and Community Facilities and to reasonably limit the number of guests of members to the use of any facilities on the Property; and

(d) the right of the Association to suspend the rights to vote and to sue the Common Areas and Community Facilities for any period during which any assessment remains

unpaid and for any period not to exceed thirty (30) days for any infraction of any of the published rules and regulations of the Association; and

(e) the right of the Association to dedicate or transfer all or any part of the Common Areas or Community Facilities to any public or municipal agency, authority or utility for purposes consistent with those of this Declaration and others as may be agreed by the members; provided, however, that no dedication or transfer or agreement as to the purposes or conditions thereof, shall be effective unless two-thirds (2/3) of the then members of the Association consent to it at any special meeting of the members duly called for such purpose; and, provided further, that any such dedication or transfer shall also be subject to the limitations stated in Article XI of this Declaration; and

(f) the right of the Association, acting through its Board of Directors, to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, the installation of cable television lines, to any municipal agency, public utility, the Declarant or any other person; provided, however, that no such licenses, rights-of-way or easements shall be unreasonably and permanently inconsistent with the rights of the members to the use and enjoyment of the Common Areas and Community Facilities.

2. Delegation of Right of Use. Any member of the Association may delegate his rights to the use and enjoyment of the Common Areas and Community Facilities to the members of his family who reside permanently with him and to his tenants, contract-purchasers and guests, all subject to such reasonable rules and regulations which the Association may adopt and uniformly apply and enforce.

ARTICLE V

1. Annual Maintenance Assessments. Except as assessments of the Declarant are limited by Article VI of this Declaration, each person or legal entity, or combination thereof, who becomes a fee owner of a Lot with the Property, (i.e. each Class A member of the Association), by acceptance of a deed therefore, whether or not expressed in the deed or other conveyance, shall be conclusively held to have agreed to pay the Association, in advance, monthly installments equal to one-twelfth of the annual assessment, on the first day of January, an annual sum (sometimes referred to as "maintenance assessments") equal to the member's proportionate share of the sum required by the Association, as estimated by its Board of Directors, to meet its annual expenses, including but in no way limited to the following:

(a) the cost of all operating expenses of the Common Areas and Community Facilities and the services furnished for the Common Areas and Community Facilities, including charges by the Association for any services furnished by it; and

(b) the cost of necessary management and administration of the Common Areas and Community Facilities, including fees paid to any Management Agent; and

(c) the amount of all taxes and assessments levied against the Common Areas and Community Facilities; and

(d) the cost of liability insurance on the Common Areas and Community Facilities, Directors and Officers Insurance, if bought by the Board of Directors, fidelity bonds and the cost of other insurance the Association may contract for the Common Areas; and

(e) the cost of the utilities and other services which may be provided by the Association; and

(f) the cost of maintaining, replacing, repairing, and landscaping the Common Areas, including, without limitation, the cost of the maintenance of all pathways upon the Property, together with such equipment as the Board of Directors determines to be necessary; and

(g) in addition to the maintenance described above, the Annual Maintenance Assessment shall include the cost of providing for grass cutting and lawn maintenance of all Common Areas, including lawn maintenance in all public rights-of-way within the Property which are not maintained by the City of Rockville, snow removal on any private streets, and maintenance and operation of all recreational areas owned by the Association. Additionally, the Association may, but shall not be obligated, to provide trash collection and to provide limited snow removal from public streets; and

(h) the cost of funding all reserves established by the Association, in particular, a reserve for replacements.

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

The Board of Directors shall prepare, or cause the preparation of an annual operating budget for the Association which shall provide, without limitation, for the management, operation and maintenance of the Common Areas. The Board of Directors of the Association shall make reasonable efforts to fix the amount of the annual maintenance assessment against each Lot for each assessment period at least thirty (30) days in advance of the beginning of such period and shall, at that time, prepare a roster of the Lots and the annual maintenance assessments applicable for each of them which shall be kept in the office of the Association open to inspection by any owner upon reasonable notice to the Board. Written notice of the annual maintenance assessments shall be sent to the members. The omission by the Board of Directors, before the expiration of any assessment period, to fix the amount of the annual maintenance assessment for that or the next period, shall not be a waiver or modification of the provisions of this Article or a release of any member from the obligation to pay the annual maintenance assessment, or any installment of it, for that or any later assessment period, but the annual maintenance assessment fixed for the preceding period shall continue until a new maintenance assessment is fixed. No member may exempt himself from the liability for maintenance assessments by abandonment of any Lot belonging to him or by the abandonment of his right to the use of the Common Areas and Community Facilities.

Except as may be specifically provided, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the Dwellings or their appurtenances and the duties of the Association for maintenance and repairs shall be limited to the Common Areas and Community Facilities. The owner of any Lot shall, at his own expense, maintain his Lot and Dwelling, and any and all appurtenances thereto, including landscaped public road or utility rights-of-way adjoining the Owner's Lot, in good order, condition and repair and in a clean, sightly and sanitary condition at all times.

2. Special Maintenance Assessments. In addition to the regular maintenance assessments authorized by this Article, the Association may levy in any assessment year a special maintenance assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, extraordinary repair or replacement of a described capital improvement located upon, or forming a part of the Common Areas and Community Facilities, including the necessary and related fixtures and personal property, or for such other purpose as the Board of Directors may consider appropriate; provided, however, that any such assessment shall have the assent of a majority of each class of the then members of the Association who shall have voted in person or by proxy at a regular meeting or at a meeting of the members duly called for this purpose.

3. Townhouse Maintenance Assessments. In addition to all other assessments required by this Declaration, each Townhouse shall be subject to an additional assessment calculated annually to defray the cost of maintaining the parking areas and private streets adjoining the Townhouses, as well as the landscaping, mulching and reserve funding necessary to care properly for these areas of the Community. The Board of Directors shall establish the annual Townhouse Maintenance Assessment budget and communicate it to each Townhouse Member not later than October 15 of each year. If twenty-five percent (25%) or more of the Townhouse members request a hearing upon the Townhouse Maintenance Assessment, a meeting of the interested Members shall be conducted and consideration given to the evidence produced at such meeting before the adoption of the Townhouse Maintenance Assessment. If no meeting is requested, the Board of Directors shall adopt the assessment as proposed or as modified downward, but not upward, at the discretion of the Board.

4. Optional Grounds Maintenance Charges. In addition to the charges described above, the Association may offer to Owners a "Grounds Maintenance Option", providing for the on-site maintenance of the lot and gardens of those Owners selecting such service. The cost of such service shall be added to all other charges assessed to the Lot and shall comprise a part of the charges subject to the collection and enforcement provisions set forth in this Declaration.

5. Reserves for Replacements. The Association shall establish and maintain a reserve fund for replacements of the Common Areas and Community Facilities, if any, by the allocation and payment to such reserve fund of an amount to be designated from time to time by the Board of Directors. This reserve fund shall be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by any State or by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by the United States of America.

The reserve for replacement of the Common Areas and Community Facilities, if any may be expended only for replacement of the Common Areas and Community Facilities, major repairs, equipment replacement, and operating contingencies of a non-recurring nature relating to the Common Areas and Community Facilities. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider appropriate. The proportional interest of any member in a reserve fund shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned or transferred from the Lot to which it appertains and shall be deemed to be transferred with the Lot.

If private streets are made a part of the Common Area, a portion of the reserves created shall be segregated and separately accounted as a reserve fund specifically for the maintenance of private streets.

6. Annual Maintenance Assessments. The initial maximum annual maintenance assessment for each of the Lots to which Class A membership is appurtenant, shall not exceed the sum of FIVE HUNDRED TWENTY-FIVE AND ***NO/100 DOLLARS (\$525.00) per annum. The annual maintenance assessment shall be levied at a uniform rate for each Class A membership, except however, that Townhouse Members shall be subject to the Townhouse Assessment. The initial maximum Townhouse Assessment shall not exceed TWO HUNDRED AND *** NO/100 DOLLARS (\$200.00) per annum.

7. Increase in Maximum Annual Maintenance Assessment.

(a) After the first anniversary of the first conveyance of a Lot to a Class A member, the maximum annual maintenance assessment for all Class A memberships above provided for, may be increased by the Board of Directors of the Association, without a vote of the Class A membership, by an amount equal to ten percent (10%) of the maximum annual assessment for the preceding year plus the amount by which any ad valorem real estate taxes and casualty and other insurance premiums and utility costs payable by the Association have increased over amounts payable for the same or similar items for the previous year, plus the amount by which the applicable Consumer Price Index shall have increased above the level prevailing as of the date of the recording of this Declaration. The assessments may be further increased as may be dictated by the results of an annual analysis of reserve requirements conducted by the Board of Directors.

(b) After the second anniversary of the first conveyance of a Lot to a Class A member, the maximum annual maintenance assessments for all Class A memberships may be increased above the established by the preceding paragraph by a vote of the members, as hereafter provided, for the next succeeding year and, thereafter, at the end of such year, for each succeeding year. Any change made pursuant to this paragraph shall have the assent of two-thirds (2/3) of the then Class A members of the Association and two-thirds (2/3) of the then Class B members of the Association. A meeting of the members shall be duly called for this purpose.

ARTICLE VI

1. Non-Payment of Assessments. Any assessment or installment of it levied pursuant to this Declaration which is not paid when due shall be delinquent and shall, with interest and the cost of collection thereof, as hereafter provided, be a continuing lien on the Lot or Lots belonging to the member owing the assessment and shall bind such Lot or Lots in the hands of the then owners, his heirs, devisees, personal representatives and assigns. The personal obligation of the member to pay the assessment shall, in addition remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any assessment levied pursuant to this Declaration, or any installment thereof, may be maintained without foreclosing or waiving the lien created by this Declaration and the Contract Lien Act.

Subject to the terms of the Contract Lien Act, any assessment or installment which is not paid within ten (10) days after it is due, may, upon resolution of the Board of Directors, bear interest at a rate not to exceed the maximum legal rate permitted from time to time in the State of Maryland, and may, by resolution of the Board of Directors, subject the defaulting member to a penalty or "late charge" as the Board may fix, and the Association may bring an action at law against the defaulting member, or foreclose on the lien against the Lot or Lots then belonging to said member in the manner now or hereafter provided for the foreclosure of mortgages, deeds of trust or other liens on real property in the State of Maryland containing a power of sale and

consent to a decree, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs and reasonable attorneys' fees of not less than fifteen percent (15%) of the sum claimed shall be added to the amount of each assessment.

The Association may establish and enforce a lien for any assessment, annual, special or additional granted herein pursuant to the Maryland Contract Lien Act. A lien is imposed upon the Lot against which such assessment is made. A lien may be established and enforced for damages, costs of collection, late charges permitted by law, and attorney's fees provided for herein or awarded by a court for breach of any of the covenants herein.

The Association may notify the holder of the first mortgage on any Lot for which any assessment becomes delinquent for more than thirty (30) days and in any other case where the owner of such Lot is in default of performance of any other obligation hereunder for more than thirty (30) days, but failure to give such notice shall not affect the validity or priority of the lien for a defaulted assessment.

2. Assessment Certificates. On request, the Association shall furnish to any member liable for an assessment (or any other party legitimately interested in the same) a certificate signed by an officer of the Association, stating whether the assessment is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. The Association may charge a reasonable fee for each certificate.

3. Acceleration of Installments. Upon default in the payment of any installment of any assessment, or any other installment thereof, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

The Association may establish and enforce a lien for any assessment, annual, special or additional granted herein pursuant to the Maryland Contract Lien Act. The lien is imposed upon the Lot against which such assessment is made. The lien may be established and enforced for damages, cost of collection, late charges permitted by law, and attorney's fees provided herein or awarded by a court for breach of any of these covenants.

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

5. Commencement of Annual Assessments. Except as otherwise resolved by the Board of Directors, the annual maintenance assessment for each Class A membership shall commence on the date a deed for the Lot to which such membership is appurtenant is delivered by the Declarant to the member or to the closing agent. The first installment of each such annual assessment shall be made for the balance of the year during which a deed for the lot is delivered to the member or his closing agent and shall become due and payable and a lien on that date of delivery. Except as otherwise provided, the annual installments of each such annual assessment for a Lot for any year after the first year shall become due and payable and a lien on the first day of the month following the beginning of the Association's Fiscal Year.

6. Assessment of Declarant and Its Successors. Until the lapse of the Class B memberships, as above provided, the Declarant and its successors shall be responsible for making certain payments to the Association, but shall not be subject to assessment by the Association as above provided. The Declarant and its successors shall, commencing as of the date of the conveyance of the first Lot, pay to the Association its prorata share of the annual sum budgeted for reserve fore replacements. Until the lapse of the Class B memberships as aforesaid, Declarant and its successors shall be responsible for payment of their respective prorata shares of all actual expenses of the Association to the extent that the same are not funded by maintenance assessments paid to the Association. For the purposes hereof, the proration aforesaid shall be accomplished by applying a fraction, the numerator of which is the total number of Lots owned by Declarant or any successor thereof and the denominator of which is the total number of Lots finally approved by record plat(s) in the Project.

7. Exempt Property. No portion of the Common Areas or Community Facilities shall be subject to assessment of any kind by the Association.

ARTICLE VII

1. General Control of Construction and Land Use: The Architectural and Environmental Preservation Committee. Except for construction or development done by or under contract with the Declarant, and except for any improvements to any Lot or to the Common Areas made by the Declarant concurrently with the construction and development of the Property, and except for purposes of property maintenance and repair, no building, fence, wall or other improvements or structures shall be placed, moved, altered or maintained upon the Property, nor shall any exterior addition to or change (including any change of color) or other alteration, including any alteration to the grade of any Lot or the change of any water runoff pattern, or the installation of any landscaping visible from the street, be made until the complete plans and specifications showing the location, nature, shape, height, material, color, type of construction and any other proposed form of change (including, without limitation, any other information specified by the Architectural and Environmental Preservation Committee) 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 by an Architectural and Environmental Preservation Committee designated by the Board of Directors.

Subject to the same limitations as above provided, it shall be prohibited to install, attach, build or remove any lighting, shades, screens, awnings, address plaques or numerals, patio covers, fences, wall slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any improvements constructed upon any Lot or upon any of the Common Areas, or to combine or otherwise join two or more Dwellings, or to partition them after combination, or to remove or alter any windows or exterior doors of any Dwelling, until the complete plans and specifications, showing the location, nature, shape, height, material, color, type of construction and any other proposed form of change (including, without limitation, an other information specified by the Architectural and Environmental Preservation Committee) 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 by the Architectural and Environmental Preservation Committee designated by the Board of Directors.

2. Architectural and Environmental Preservation Committee-Composition and Operation. The Architectural and Environmental Preservation Committee shall be composed of three (3) persons and the following persons to be designated by the Board of Directors. These members of the Committee shall have staggered terms, as the Board may assign. Until the Committee is designated, the functions of the Committee shall be performed by the Board of Directors.

The affirmative vote of a majority of the members of the Architectural and Environmental Preservation Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article.

Any member of the Architectural and Environmental Preservation Committee may, at any time, resign from the Architectural and Environmental Preservation Committee upon written notice to the other members of the Committee. Vacancies on the Committee, however caused, shall be filled by a majority vote of the Board of Directors within thirty (30) days of the creation of the vacancy. Any new member elected to the Architectural and Environmental Preservation Committee to fill a vacancy shall serve the expired term of the Architectural and Environmental Preservation Committee member vacated.

3. Approvals. Upon approval by the Architectural and Environmental Preservation Committee of any plans and specifications submitted to them, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of the Committee and a copy noting such approval, in writing, shall be returned to the applicant. In the event the Committee fails to approve any plans and specifications which may be submitted to it pursuant to the provisions of this Article within sixty (60) days after such plans and specifications (and all other materials and information required by the Architectural and Environmental Preservation Committee) have been submitted to it in writing, then approval will not be required and this Article will be deemed to have been fully satisfied.

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

5. Certificate of Compliance. Upon the completion of any project done in accordance with plans and specifications approved by the Architectural and Environmental Preservation Committee, the Architectural and Environmental Preservation Committee shall, at the request of the owners thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration, or other improvements referenced in such certificate have been approved by the Architectural and Environmental Preservation Committee and

constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of the Declaration as may be applicable.

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

7. Prohibited Uses and Nuisances. Except for the activities of the Declarant and its assignees during the construction or development of the Community, or as may be necessary in connection with reasonable and necessary repairs or maintenance upon the Common Areas:

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

(b) The keeping, boarding or raising of animals, livestock, or poultry of any kind, regardless of number, shall be prohibited on any Lot or within any Dwelling, except that this shall not prohibit the keeping of dogs, cats or customary household animals as domestic pets, provided that such animals are not kept or bred for commercial purposes and, provided further, that such domestic pets are not a source of annoyance or nuisance to the neighborhood or Owners and do not roam at large. The Board of Directors or, upon resolution of the Board of Directors, the Architectural and Environmental Preservation Committee shall have the authority, after hearing, to determine whether a particular pet is a nuisance or a source of annoyance to other members, and such determination shall be conclusive. Pets shall be attended at all times and shall be registered, licenses and inoculated as may from time to time be required by law. Pets shall not be permitted upon the Common Areas unless accompanied by a responsible person and unless they are carried or leashed. Any fecal waste deposited by a pet shall be forthwith removed by the unit owner. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets as it may from time to time consider necessary or appropriate. The Community shall be subject to an easement to the benefit of the Animal Control agents of the City of Rockville to permit their entry for the purposes of enforcing the animal control laws of the City.

(c) No lumber, metals, bulk materials, refuse or trash shall be stored or allowed to accumulate on any Lot, except building materials during the course of construction of any approved Dwelling or other permitted structure. This prohibition shall not be construed so as to prohibit the storage of up to one (1) cord of neatly stacked firewood.

(d) No burning of trash shall be permitted on any Lot. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open on any day that a pickup is to be made at such place on the Lot so as to provide access to persons making such pickup. At all other times trash containers shall be stored so that they cannot be seen from any public way or from any other Lot.

(e) No junk vehicle, unlicensed or inoperable motor vehicle, commercial vehicle, trailer, camp truck, house trailer, boat or boat trailer, bus or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any Lot) shall be kept upon the Property or a street whether public or private, serving the Property, unless stored or parked within garages or other permitted structures nor (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. No motor vehicles of any kind shall be regularly parked upon any of the Roadways. These prohibitions, however, shall not be construed to prohibit pick-up trucks of the 3/4 ton or smaller variety. Except when required to be open for ingress or egress, garage doors shall be kept closed. The provisions of this subsection shall apply to and bind all public streets within the Community.

(f) No structure of a temporary character shall be erected, used or maintained on any Lot at any time.

(g) No vegetable garden shall be cultivated in front yards or in other clearly visible areas except with written permission of the Committee.

(h) No landscaping shall be done with plants or trees having a mature height in excess of eight (8) feet except with written permission of the Committee.

(i) No structure shall be erected, placed or maintained on any Common Area except:

(1) Structures designed exclusively for the common use of the Owners, including, but not limited to benches, chairs or seating facilities, fences and walls, walkways, roadways, parking facilities, sanitary facilities, gate houses, recreational facilities and structures; and

(2) Drainage, storm, and utility systems.

The Common Areas may be graded, planted with trees, shrubs or other plants and maintained there for the use and enjoyment of the Owners, or for the establishment, retention or preservation of the natural growth or topography of the Common Areas, or for aesthetic reasons.

(j) Except for entrance signs, directional signs, signs for traffic control or safety and such promotional sign or signs as may be maintained by the Declarant, no signs or advertising devices of any character shall be posted or displayed on or about any Lot or Dwelling; provided, however, that one temporary real estate sign, not exceeding four (4) square feet in area, may be displayed within a window of a home on any Lot placed upon the market for sale or rent. Any such temporary real estate sign shall be removed promptly following the sale or rental of such Lot. Additionally, one outdoor, temporary real estate sign, not exceeding four (4) square

feet in area may be displayed whenever a home that is for sale is being held open for showing. When the home is not open for showing the sign shall be removed.

(k) No commercial activities shall be conducted on any Lot and no Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel, or earth.

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

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

(n) No poles or wires for the transmission of electricity, telephone and the like shall be placed or maintained above the surface of the ground on any Lot.

(o) No outside television aerial or radio antenna, or other aerial or antennae for either reception or transmission which projects more than five (5) feet above the roof ridge line, shall be maintained upon the Property.

(p) No Lot shall be subdivided; provided, however, that this restriction shall not be construed to prohibit the adjustment or realignment of boundary lines between Lots as long as such adjustment or realignment shall not create an additional Lot.

(q) No Dwelling and/or building appurtenant thereto, including, without limitation, detached garages, accessory dwellings, sheds, swimming pools, or hot tubs, children's play houses, dog kennels, clotheslines, fuel tanks, garbage cans, incinerators, gardens and wood and/or compost piles shall be located within eight (8) feet of any boundary line of any Lot. Above-ground swimming pools shall not be permitted at any location within the Property.

(r) No excavation shall be made on any Lot except for the purpose of building thereon at the same time when the building operations are commenced, and no earth or sand shall be removed from any Lot except as part of such operations; provided, however, that this restriction shall not be construed to prohibit the construction of in-ground swimming pools, in-ground hot tubs or ponds.

(s) No exterior lighting shall be placed or fixed in such a manner as to cause a concentrated beam to be directed outside the boundaries of any Lot.

(t) No Lot shall be so used as to cause any pollution to waterways, streams or ponds on or adjacent to the Lots or to any adjoining property's water supplies. No Lots shall be so used or maintained as to cause any erosion of soil or sediment into such waterways, streams or ponds. During the grading and construction of any improvements upon any Lot, adequate arrangements shall be made to insure that no erosion of soil or sediment into such waterways,

streams or ponds shall take place and that no water is diverted or concentrated in any manner which will cause flooding or erosion on any adjacent or downstream lot or Common Area.

(u) The drilling of wells and the construction of private sewage disposal systems upon all Lots shall be strict accordance with the Health Department regulations of Montgomery County and/or the State of Maryland.

(v) Not more than one (1) Dwelling shall be erected on any (1) Lot within the Property, and each Dwelling shall be restricted to a single family Dwelling.

(w) These restrictions shall not be construed as permitting any action or thing prohibited by the applicable zoning laws, or the laws, rules or regulations of any appropriate government authority. In the event of any such conflict, the most restrictive provision of such laws, rules, regulations or the restrictions shall be deemed to govern and control.

(x) Garages shall be used for garage purposes only and shall not be converted to any other use.

8. Residential Use. All Dwellings shall be used for private residential purposes exclusively. Nothing contained in this Article, or elsewhere in this Declaration, shall be construed to prohibit the Declarant from the use of any Common Area, Lot or Dwelling for promotional or display purposes, or as “model homes”, a sales office, or the like.

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

10. Maintenance. Each Owner shall keep his Lot, and all improvements in good order and repair, including, but not limited to, the seeding, watering and mowing of the lawn, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements all in a manner and with such frequency as is consistent with good property management, to the extent that such exterior maintenance services are not provided by the Association.

11. Community Rules – Common Areas and Community Facilities. The Community Facilities Committee may adopt, amend and promulgate such rules and regulations regarding the use of the Common Areas as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of any provision or requirement of this Declaration. The decisions of the Community Facilities Committee shall be final, except that any member who is aggrieved by any action or forbearance from action by the Community Facilities Committee (or by any policy, standards or guidelines established by such Committee) may appeal the decision of the Community Facilities Committee to the Board of Directors and, upon the request of such member, shall be entitled to a hearing before the Board of Directors of the Association.

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

provisions or requirements of this Declaration, then the same shall be considered to have been done in violation of this Declaration and without the approval of the Architectural and Environmental Preservation Committee required, and upon written notice from the Architectural and Environmental Preservation Committee, after approval of such action by the Board of Directors, such violation shall be promptly removed or abated. If not removed, or the violation is not otherwise terminated or abated, within fifteen (15) days (or such shorter period as may be required in any such notice) after notice of the violation is delivered to the Owner of the Lot upon which such violation exists, then the Architectural and Environmental Preservation Committee shall have the right, through its agents and employees, to enter upon such Lot and to take such steps as may be necessary to remove or otherwise terminate or abate such violation and the cost these steps may be assessed against the Lot upon which this violation occurred and when so assessed, a statement for the amount shall be given to the Owner of the Lot when assessment is due and payable and a continuing lien upon such Lot, and a binding personal obligation of the Owner of such Lot. Any lien established upon a Lot for such charges shall be subject to the provisions of the Contract Lien Act.

The Architectural and Environmental Preservation Committee shall have the further right, through its agents or employees, to enter upon and inspect any Lot at any reasonable time for the purpose of ascertaining whether any violation of the provisions of this Article or any of the other provisions or requirements of this Declaration exist on such Lot. Neither the Architectural and Environmental Preservation Committee nor any agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection. Further, the Committee shall have the authority to promulgate, enforce and collect a system of fines for the violation of any provisions of this Article.

ARTICLE VIII

1. Management Agent. The Board of Directors may employ a management agent or manager (the "Management Agent") for the Association 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, without limitation, the following:

(a) to establish (with the approval of the Board of Directors) and provide for the collection of the annual maintenance assessments and any other assessments permitted by this Declaration and to provide for the enforcement of liens therefore consistent with law and the provisions of this Declaration; and

(b) to provide for the care, upkeep, maintenance and surveillance of the Common Areas and Community Facilities and exterior of the Dwellings; and

(c) to hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the Common Areas and Community Facilities; and

(d) to promulgate (with the approval of the Board of Directors) and enforce rules and regulations and "house rules" or the like as may be deemed proper respecting the use of the Common Areas and Community Facilities; and

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

Any management agreement entered by the Association shall provide that it may be terminated, with cause and without the payment of any termination fee, by either party upon thirty (30) days' written notice thereof to the other party, and without cause upon sixty (60) days' notice. The term of a management agreement shall not exceed one (1) year; provided, however, that it may be renewable by agreement of the parties for successive one-year periods.

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

ARTICLE IX

1. Reservation of Easement Rights by the Declarant. The Declarant hereby reserves a non-exclusive easement and right-of-way in, through, over and across the Common Areas and Community Facilities for the purpose of the storage of building supplies and materials, the installation, construction, maintenance reconstruction and repair of sanitary sewer lines, water lines, cables, storm drains and appurtenances to any of the same, grading for surface drainage and for all other purposes reasonably related to the completion of construction and the provisions of utility services, whether public or private, to the Community and to other property adjacent to, or in the vicinity of the Community. Any and all instruments of conveyancing made by the Declarant to the Association with respect to any of the Common Areas and Community Facilities shall be conclusively deemed to incorporate this reservation, whether or not specifically set forth in such instruments. At the request in writing of the Declarant, the Association shall from time to time execute, acknowledge and deliver to the Declarant such further assurances of this reservation as may be necessary.

2. Easements for Utilities and Related Purposes. The Association is authorized and empowered to grant licenses, easements and rights-of-way over the Common Areas and Community Facilities for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, cables, underground conduits and such other purposes related to the provisions of utility services to the Community as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the Common Areas and Community Facilities and for the preservation of the health, safety, convenience and welfare of the owners of the Lots or the Declarant.

3. Utility and Drainage Easements. The Declarant reserves an easement over all land in each Lot lying within thirty (30) feet of a roadway or within fifteen (15) feet of a boundary with an adjacent Lot, for the installation of utility lines, drainage structures and features.

4. Access to and Maintenance of "Off-site" Slopes and Roadways. The Declarant reserves over such portions of the Common Areas as may be reasonably suited to the purpose, a right of access, ingress and egress to such slopes and to emergency access roadways as are owned

by the City of Rockville or by abutting owners and dedicated to the use of the City, in order to accommodate the land use plan for the Community, but required to be maintained by the Declarant and the Association. The Declarant, on behalf of the Association, and for its own part, for so long as relevant, covenants and agrees to maintain the slopes required to be dedicated or conveyed to the City of Rockville as a part of the approved land use plan for the Community, as well as the emergency access roadway connection on the northerly boundary of the Community. Further, Declarant hereby declares and imposes, to the benefit of the City of Rockville and Montgomery County, and easement upon and across all private streets within the Community for the access, ingress and egress of emergency and law enforcement vehicles.

ARTICLE X

1. Amendment. Subject to the other limitations set forth in this Declaration, prior to the lapse of all of the Class B memberships in the Association, as in Article III provided, this Declaration may be amended only by an instrument executed and acknowledged by two-thirds (2/3) of the Class A and B members of the Association, or such lesser proportion of the membership as may from time to time be permitted by the State of Maryland, or by regulations promulgated by the Veteran's Administration, FHLMC, FHA, or FNMA, if any and by the Declarant, which instrument shall be recorded among the Land Records for Montgomery County, Maryland. Subject to the other limitations in this Declaration, following the lapse of all of the Class B memberships in the Association, as in Article III provided, this Declaration may be amended by an instrument executed and acknowledged by a majority of the Class A members of the Association, which instrument shall be recorded among the Land Records for the jurisdiction in which this Declaration is recorded. Unless a later date is specified in any such instrument, any amendment to this Declaration shall become effective on the date of recording, provided, however, that the Declarant may unilaterally accomplish any amendment required by the Veteran's Administration, Federal Housing Administration, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or similar governmental or quasi-governmental agency, provided such amendment does not adversely effect, in a material way, the property interests of any owner. No amendment, other than one accomplished unilaterally by Declarant as above provided, may be accomplished until all of the Property described in Exhibit A-1 has been submitted to this Declaration.

2. Duration. Unless amended in accordance with the provisions of Section 1 of this Article and the other requirements of this Declaration, and except where permanent easements or other permanent rights or interests are created, the covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date of recordation of this Declaration, after which the covenants shall be automatically extended for successive periods of then (10) years each.

3. Construction and Enforcement. The provisions hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of the Community. Enforcement of these covenants and restrictions shall be by an proceeding at law or in equity against any person or persons violating or attempting to violate any covenants or restriction, either to restrain or enjoin violation or to recover damages or both, and against any Lot to enforce the lien created hereby and the failure or forbearance by the Association to enforce and 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 within covenants or restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

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

5. Incorporation by Reference or Resale. On the sale or other transfer of a Lot, any deed purporting to effect such transfer shall contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration.

6. Notices. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postpaid, to the last known address of the person who appears as member or owner on the records of the Association at the time of such mailing.

7. No Dedication to Public Use. Nothing in this Declaration shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Areas or Community Facility by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Areas or Community Facilities.

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

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

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

(b) abandon or terminate this Declaration; or

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

(d) resolve to use the proceeds of casualty insurance for any purpose other than the repair, replacement or reconstruction of the Common Areas and Community Facilities; or

(e) modify or amend any material or substantive provision of this Declaration or the Bylaws of the Association.

No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to this Declaration except after ten (10) days' written notice to the holder of the first mortgage on the Lot which is the subject matter of such suit or proceeding.

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

10. Casualty Losses. In the event of substantial damage or destruction to any of the Common Areas or Community Facilities, the Board of Directors shall give prompt written notice of the damage or destruction to the holders of all first mortgages of record on the Lots. No provision of this Declaration or the Bylaws of the Association shall entitle any member to any priority over the holder of any first mortgage of record on his Lot with respect to the distribution to such member of any insurance proceeds paid or payable on account of any damage or destruction of any of the Common Areas or Community Facilities.

11. Condemnation or Eminent Domain. If any part of the Common Areas and Community Facilities is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, if such proceeding involves the offer by the governmental authority to pay \$150,000.00 or more, or if the value of the property sought to be taken is valued by the Board of Directors at that amount, or more, then the Board of Directors of the Association shall give prompt written notice of such proceeding or proposed acquisition to the holders of all first mortgages of record on the Lots. An award or payment of a lesser amount shall be received by the Association and applied as a part of the general fund of the Association and no member shall have any interest therein. No provision of this Declaration or the Bylaws of the Association shall entitle any member to any priority over the holder of any first mortgage of record on his Lot with respect to the distribution to such member of the proceeds of any condemnation or settlement relating to a taking of any of the Common Areas and Community Facilities.

12. Rights of the City of Rockville. The Association shall not, either by its Board of Directors, Officers or Members, by either act or omission, do any of the things listed below without the written consent of the Commission. This restraint is founded on the understanding that the Commission will not unreasonably withhold its consent to well-founded requests. The actions restrained are any which would: (a) abandon, partition, dedicate, subdivide or transfer any of the Common Areas or Community Facilities. The granting of the rights-of-way or easements for utilities or other purposes consistent with the use of the Common Areas is not restrained by this provision; (b) abandon or terminate this Declaration; or (c) merge or consolidate the Association with any other entity or sell, lease or exchange all or substantially all of the assets of the Association; or (d) modify the approved site plan for the Property.

The Mayor and Council of Rockville shall have the right and standing to bring an action in the Circuit Court for Montgomery County to enforce the restraints described in this Section 12.

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

IN WITNESS WHEREOF, WHM LAND CORP., by Scott S. Reed, Executive Vice President, has executed these presents as a General Partner of the Declarant, as of the year and day first above written.

FALLS ROAD WHOM LIMITED PARTNERSHIP

By: WHM LAND CORP.
General Partner

By: _____ (SEAL)
Scott C. Reed,
Executive Vice President

STATE OF MARYLAND, COUNTY OF MONTGOMERY:

I HEREBY CERTIFY that on the ____ day of _____, 1991, before me, the subscriber, a Notary Public of the aforesaid State, personally appeared SCOTT C. REED, Executive Vice President of WHM LAND CORP., General Partner of Declarant, known to me (or satisfactorily proven) to be the person who executed the foregoing Declaration, and acknowledged that he executed the same for the purposes therein contained and delivered the same as such.

WITNESS my hand and Notarial Seal the year and day first above written.

Notary Public

I HEREBY CERTIFY that the forgoing instrument was prepared by the undersigned, a member in good standing of the Bar of the Court of Appeals of Maryland.

Patrick C. McKeever

“EXHIBIT A”

LEGAL DESCRIPTION
ROSE HILL FALLS

Lots numbered One (1) thru Seven (7), Lots numbered One Hundred Forty One (141) thru One Hundred Fifty One (151) and Parcels A thru C in Block lettered “A” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18317, one of the Land Records of Montgomery County, Maryland.

Lots numbered Eight (8) thru Twenty Seven (27) and Parcels F and G in Block lettered “A” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18318, one of the Land Records of Montgomery County, Maryland.

Parcel H in Block lettered “A” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18319, one of the Land Records of Montgomery County, Maryland.

Parcel J in Block lettered “A” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18320, one of the Land Records of Montgomery County, Maryland.

Parcel L in Block lettered “A” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18321, one of the Land Records of Montgomery County, Maryland.

Parcel M in Block lettered “A” and Parcel O in Block lettered “B” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18322, one of the Land Records of Montgomery County, Maryland.

Parcel R in Block lettered “A” and Parcel Q in Block lettered “B” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18323, one of the Land Records of Montgomery County, Maryland.

Parcel T in Block lettered “A” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18324, one of the Land Records of Montgomery County, Maryland.

“EXHIBIT A-1”

LEGAL DESCRIPTION
ROSE HILL FALLS

Lots numbered One Hundred Twenty Six (126) thru One Hundred Forty (140) in Block lettered “A” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18319, one of the Land Records of Montgomery County, Maryland.

Lots numbered Ninety One (91) thru Ninety Nine (99) in Block lettered “A” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18320, one of the Land Records of Montgomery County, Maryland.

Lots numbered One Hundred (100) thru One Hundred Twenty Five (125) in Block lettered “A” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18321, one of the Land Records of Montgomery County, Maryland.

Lots numbered Twenty Eight (28) thru Forty (40) in Block lettered “A” and Lots numbered One (1) thru Sixteen (16), Lots numbered Fifty Six (56) thru Sixty Eight (68) in Block lettered “B” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18322, one of the Land Records of Montgomery County, Maryland.

Lots numbered Forty One (41) thru Sixty Four (64) in Block lettered “A” and Lots numbered Seventeen (17) thru Fifty Five (55) in Block lettered “B” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18323, one of the Land Records of Montgomery County, Maryland.

Lots numbered Sixty Five (65) thru Ninety (90) in Block lettered “A” in the subdivision known as “ROSE HILL FALLS” as per plat thereof recorded in Plat Book 162, at Plat 18324, one of the Land Records of Montgomery County, Maryland.

AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS Amendment to Declaration of Covenants, Conditions and Restrictions, is made this 3rd day of February, 1992 by Falls Road WHM Limited Partnership, a limited partnership organized and existing under the laws of the State of Maryland, and successors and assigns (hereinafter referred to as the "Declarant").

WHEREAS, prior to the recordation hereof, Declarant recorded a certain Declaration of Covenants, Conditions, and Restrictions (the "Declaration"), dated the 18th day of September, 1991, and recorded the 25th day of September, 1991, in Liber 9947 at folio 503, among the land records for Montgomery County, Maryland; and

WHEREAS, the Declarant intends by the execution and recordation of these presents, to amend the Declaration by adding certain language to Section 8, Article VII in order to comply with current requirements of the City of Rockville, Maryland;

NOW THEREFORE, in consideration of the foregoing, Declarant does hereby amend the Declaration in accordance with the terms of this Amendment.

ARTICLE I

SECTION 1. Article VII of the Declaration is hereby amended in order to add the following language to Section 8:

"The land subject to this Declaration is subject to and shall be maintained in accordance with the terms and conditions of resolution 3-90 of the Mayor and Council of Rockville approving the exploratory application for planned residential unit application No. PRU-18-89. The land shall not be used for any uses other than those specified in the approval of the planned residential unit development detailed application without the prior written consent of the City."

ARTICLE II

SECTION 1. Except for amending the Declaration as provided above, each and every term and provision of the Declaration shall remain in full force and effect and shall not be otherwise amended hereby.

SECTION 2. The Declaration, as specifically amended hereby, shall run with and bind declarant's land and premises and shall be enforceable by Declarant and its representatives, successors and assigns. Further, this Amendment shall be governed and construed in accordance with the laws of the State of Maryland.

IN WITNESS WHEREOF, the Declarant has caused these presents to be executed on its behalf by Scott C. Reed, Executive Vice President of WHM Land Corp., its sole General Partner, as of the year and day first above written.

FALLS ROAD WHM LIMITED PARTNERSHIP

PARTNER

By: WHM LAND CORP., GENERAL

By:

Scott C. Reed,
Executive Vice President

STATE OF MARYLAND, COUNT OF MONTGOMERY:

I HEREBY CERTIFY that on the 3rd day of February, 1992, before me, the subscriber, a Notary Public of the aforesaid State, personally appeared SCOTT C. REED, Executive Vice President of WHM LAND CORP., sole general partner of Declarant, known to me (or satisfactorily proven) to be the person who executed the same for the purposes therein contained and delivered the same as such.

WITNESS my hand and Notarial Seal the year and day first above written.

Notary Public

My Commission Expires: November 1, 1993

I HEREBY CERTIFY that the forgoing instrument was prepared by the undersigned, a member in good standing of the Bar of the Court of Appeals of Maryland.

Scott C. Reed

CLERK'S INDEX SHEET
(For the purpose of proper indexing only)

Pursuant to the provisions and requirements of Section 3-501 of the Real Property Code of Maryland (1981 Repl. Vol.), the following additional information is declared by the parties hereto to be contained within this instrument:

1. Type of instrument: Amendment to Declaration of Covenants, Conditions, and Restrictions
2. Consideration (Applies only to deeds): NIL
3. Parcel ID/Tax Account:

2886717
4. Grantor's Name and Address:

Falls Road WHM Limited Partnership
12116 Darnestown Road, L-4
Gaithersburg, MD 20878
5. Grantee's Name and Address:

N/A
6. Name of Title Insurance Company:

Lawyers Title Insurance Corp.

NOTE TO CLERK: After recording, please see that the original of the foregoing instrument is MAILED TO:

FALLS ROAD-WHM LAND CORP.
12116 DARNESTOWN ROAD, SUITE L-4
GAITHERSBURG, MARYLAND 20878