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WALNUT CREEK HOMEOWNERS ASSOCIATION, INC.

DEED, AGREEMENT AND DECLARATION

THIS DEED, AGREEMENT AND DECLARATION made this 3rd day of December, 1973, by and between LARWIN-ATLANTIC, INC., a Delaware corporation (hereinafter referred to as the "Developer"), Grantor and SANDRA PAULA HAINES, unmarried, a resident of Baltimore City, Maryland (hereinafter referred to as the "Declarant"), Grantee.

W I T N E S S E T H:

WHEREAS, Developer is the owner of certain real property located in Montgomery County, Maryland, which is more particularly described in Exhibit "A" of this Declaration, and desires to develop therein a residential community together with common lands and facilities for recreational purposes for the benefit of such community; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said community and for the maintenance of said common lands and facilities; and to this end, desires to subject the aforementioned real property to the covenants, restrictions, easements, charges and liens, hereinafter set forth and referred to as the "Restrictions", each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community to create an agency to which will be delegated and assigned the powers of maintaining the administering the common areas and facilities; administering and enforcing the covenants and charges hereinafter created; and

WHEREAS, Developer has incorporated or intends to incorporate under the laws of the State of Maryland, as a non-profit corporation, the Walnut Creek Homeowners Association, Inc. for the purpose of exercising the functions aforesaid; and

WHEREAS, in order to cause the Restrictions to run with, burden, and bind the property, the Developer does, by this deed, convey the hereinafter described property to the Declarant upon condition that Declarant covenant and declare as herein provided and forthwith reconvey the same to the Developer subject to, and burdened and bound by, the Restrictions.

NOW THEREFORE, THIS DEED, AGREEMENT AND DECLARATION, WITNESSETH: that for and in consideration of the premises and the sum of Five Dollars (\$5.00), paid by each party to the other, receipt and sufficiency whereof being hereby mutually acknowledged, the parties hereto do hereby grant, covenant and declare as follows:

The Developer does hereby grant, convey and assign unto the Declarant all that property described in Exhibit "A" attached

hereto; subject to the Restrictions hereinafter set forth.

TO HAVE AND TO HOLD the above granted property unto the Declarant, her heirs, executors, administrators and assigns, forever, in fee simple, subject, however, to the Restrictions which it is hereby covenanted and agreed shall be binding upon (i) the Declarant, her heirs, executors, administrators and assigns and (ii) the property, to the end that the Restrictions shall run with, bind and burden the property, for and during the period of time hereinafter specified.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to WALNUT CREEK HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as a mortgagee or as security for the performance of an obligation. Each Owner shall be a member of the Association.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be annexed pursuant to Article X, Section 4 hereof.

Section 4. "Common Area" shall mean the real property described in Exhibit "B" attached hereto and made a part hereof and all real property hereafter acquired by the Association for the common use and enjoyment of the Owners, together with any recreational facilities now or hereafter located thereon.

Section 5. "Lot" shall mean and refer to any plot of land, with the exception of the Common Area, shown upon any recorded subdivision map of the Properties upon which there has been or will be constructed either a single family detached residence or a single family townhouse residence.

Section 6. "Developer" shall mean and refer to LARWIN-ATLANTIC, INC., its successors and assigns who are designated as such and who consent in writing to assume the duties and obligations of the Developer under this Declaration.

Section 7. "Declaration" shall mean this written instrument together with these Exhibits attached hereto and made a part hereof and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms hereof.

Section 8. Wherever the word "deed of trust" is used herein, it shall mean and be synonymous with the word "mortgage", and the same shall be used interchangeably with the same meaning; and likewise, the word "Beneficiary" shall be synonymous with the word "Mortgagee", and the word "Trustor" shall be synonymous with the word "Mortgagor".

Section 9. "Living Unit" shall mean and refer to that portion of a building located on a lot designated and intended for use and occupancy as a residence by a single family.

ARTICLE II

USE OF PROPERTY

Section 1. Maintenance of Property. Each Owner shall keep all Lots owned by him, and all improvements therein or thereon, in good order and repair, including but not limited to, the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management.

Section 2. Easements. Easements for installation and maintenance of the utilities, sewer pipelines and facilities and drainage facilities over each of said Lots, and all pipelines and other facilities located and to be located in said easements are reserved as shown on the said recorded map or maps.

Section 3. Permitted Use. The properties described herein, except the Common Area, shall be known and described as residential lots. No Lot or any portion thereof shall be used for any purpose other than as a single family private residence of not more than three (3) stories in height, including basement, unless otherwise provided herein.

Section 4. Prohibited Uses. (a) no noxious or offensive acts shall be conducted in or upon, or suffered to be conducted in or upon any Lot; nor shall anything be done thereon which may be or become a nuisance to the neighborhood.

(b) no Lot shall be split, divided, or subdivided for sale, resale, gift, transfer or otherwise.

(c) no facilities, including poles and wires, for the transmission of electricity, telephone messages and the like shall be placed or maintained above the surface of the ground on any Lot, and no external or outside antennas of any kind shall be permitted or maintained.

(d) no motor vehicles (other than that of a private passenger type), boat, boat trailer, house trailer, trailer or any similar items shall be stored in or upon any Lot.

(e) no trailer, tent, shack, garage, barn or other out-building erected on any Lot described herein shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

(f) no residence on any Lot or building plot in said tract shall be erected or permitted containing less than Nine Hundred (900) square feet of floor area. Such area shall be exclusive of attached garage and open entries, porches, patio or basement. The minimum required floor shall be deemed to include the total enclosed floor area of the residence, building measurements to be taken for this purpose from the outerfacing of exterior walls.

→ (g) no lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot, except building materials during the course of construction of any approved structure. 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 pick-up is to be made in such a place so as to provide access to persons making such pick-up. At all other times such containers shall be stored in such a manner so that they cannot be seen from adjacent and surrounding property. The Board of Directors, in its discretion, may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same on the Lots.

(h) no water pipes, sewer pipe or drainage pipe shall be installed or maintained on any Lot above the surface of the ground, except hoses and movable pipes used for irrigation purposes. No Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel, or earth.

(i) no birds, animals or insects shall be bred, raised, kept or maintained on any Lot except for domestic pets. Under no circumstances shall any commercial or business enterprise involving the use of animals be conducted on the Properties. The Board of Directors may, from time to time, publish and impose reasonable regulations setting forth the type and number of domestic animals that may be kept on any Lot.

(j) no sign, billboard or other advertising device of any character shall be erected or maintained upon any part of said tract or on any Lot therein; excepting, however, One (1) sign for each Lot (with dimensions of not more than Eighteen (18) inches by Twenty-Four (24) inches) advertising such Lot for sale or rent; and provided, further, that Developer (or its successors or assigns) may, subject to veto by the Board of Directors, erect and maintain within said tract such signs, billboards and other advertising device or structures as Developer (or said successors or assigns) may deem necessary or proper in connection with the development, subdivision and sale of said tract or the Lots therein.

(k) no clothing or any other household fabrics shall be hung in the open on any Lot unless the same are hung from an umbrella or retractable clothes hanging device which is removed from view when not in use and unless the same is enclosed by a fence or other enclosure at least six inches higher than such hanging articles, provided such fence or other enclosure is approved by the Board of Directors. No machinery shall be placed or operated upon any Lot except such machinery as is usual in maintenance of a private residence.

(l) within those easements as provided for in Article II, Section 2, hereof, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities

or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained by the Owner of the Lot, except for those improvements for which a public authority or a utility company is responsible.

(m) use of a Lot for any purpose other than that of a single family residence shall not be permitted without the specific written approval of the Board of Directors. The Board, in its discretion, upon consideration of the circumstances in each case, and particularly the effect on surrounding Property, may permit a Lot, or any improvement thereon, to be used in whole or in part for some purpose other than a single family residence. No such use shall be permitted, however, unless it is considered, by the Board of Directors, to be compatible with a high quality residential neighborhood.

Section 5. Mortgage Protection. Breach of any of the covenants in this Declaration shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for the value as to said Lots or property, or any part thereof, but such provisions, restrictions or covenants shall be binding and effective against any owner of said property whose title thereto is acquired by foreclosure, trustee's sale or otherwise.

ARTICLE III

COMMON AREA

Section 1. Conveyance of the Common Area. Prior to the conveyance of the first Lot, Developer shall convey to the Association by Special Warranty Deed fee title to the Common Area, described in Exhibit "B". Such conveyance shall be made free and clear of all encumbrances and liens, except current real property taxes, which taxes shall be prorated to the date of transfer, and easements for utility and drainage purposes and conditions, restrictions and reservations then of record, including those set forth in this Declaration.

The Common Area shall be used and maintained only for purposes of the preservation of open space, non-profit community recreation, and similar community uses, for the exclusive use and enjoyment of the Owners of Lots located within the area described in Exhibit "A" hereof and Owners of Lots located within such additional property as has been annexed in accordance with the provisions set forth in Article X, Section 4.

Section 2. Encroachment Easement. There shall be reciprocal appurtenant easements of encroachment as between each Lot and each portion or portions of the Common Area adjacent thereto due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon to a distance of not more than one (1) foot, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Area along a line perpendicular to such boundary at such point, provided, however, that in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, tenant, or the Association.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON AREA

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for an infraction of its published rules and regulations after hearing by the Board of Directors of the Association;

(c) the right of the Association to dedicate, transfer, or convey all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members and subject to the prior written approval of the Maryland-National Capital Park and Planning Commission, or its successor, which approval shall not be unreasonably withheld. No such dedication or transfer or conveyance shall be effective unless an instrument signed by members entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded agreeing to such dedication, transfer or conveyance, and unless written notice of the proposed action is sent to every member not less than thirty (30) nor more than sixty (60) days in advance;

(d) the right of the Association to limit the number of guests of members;

(e) the right of the Association to establish uniform rules and regulations pertaining to the use of the Common Area and the recreational facilities located thereon;

(f) the right of the Association with the assent of two-thirds (2/3) of each class of membership in accordance with its Articles and Bylaws, to borrow money for the purpose of improving or reconstructing the Common Area and facilities thereof and in aid thereof, to mortgage said property, provided that the rights of such mortgagee shall be subordinated to the rights of the members;

(g) the right of the Association to take such steps as are reasonably necessary to protect the Common Area from foreclosure.

Section 2. Rights Reserved to the Developer. Notwithstanding anything to the contrary herein provided, the Developer shall have the right to utilize any Lot or Living Unit owned by it or all or any portions of the Common Area for such purposes and in such manner as the Developer may reasonably require with respect to the construction, sale and promotion of its proposed developments (whether or not the same consists of property intended to be

subject to this Declaration) including, but not limited to the right to display and exhibit the Common Area and to establish and maintain general construction and sales offices, storage and fabricating facilities, parking areas for its employees, agents, representatives and prospective customers and advertising signs or other materials. Exercise of the rights herein reserved shall be subject to veto of the Board of Directors.

Section 3. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws of the Association, his right of use and enjoyment to the Common Area to the members of his immediate family, his tenants, or contract purchasers who reside on his Lot. During any period in which an Owner has delegated his right of use and enjoyment to the Common Area to his tenant(s) or contract purchaser(s) who reside on his Lot, such Owner shall have no right of use or enjoyment of the Common Area.

Section 4. Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Association nor release the Lot owned by him from the liens and charges hereof by waiver or delegation of the use and enjoyment of the Common Area or by non-use or abandonment of his Lot.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Transfer. The membership held by any Owner of a Lot shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Lot, and then only to the purchaser or mortgagee of such Lot. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in his name to the purchaser of such Lot, the Association shall have the right to record the transfer upon the books of the Association and issue a new certificate to the purchaser; and thereupon the old certificate outstanding in the name of the seller shall be null and void as though the same had been surrendered.

Section 3. Voting. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall all be Owners with the exception of the Developer and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. No fractional votes may be cast.

Class B. The Class B member(s) shall be the Developer

and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(1) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(2) eight (8) years from the date of the recording of this Declaration.

Section 4. Officers and Board of Directors. No person shall be a member of the Board of Directors or an officer of the Association unless such person is a member of the Association or a representative of the Developer.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties and any other Lots annexed thereto pursuant to the provisions of this Declaration, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, 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. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used for the purpose of operating the Association for the benefit, welfare and enjoyment of its members, and in this connection, for the maintenance and improvement of the Common Area and the facilities thereon, and to provide funds for the Association to carry on its duties set forth herein, or in its Articles of Incorporation and Bylaws.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for Class A members shall be One Hundred Eighty Dollars (\$180.00) per Lot; and for vacant lots or lots superimposed by an unsold, unoccupied home owned by Class B members, fifty percent (50%) of the Class A members' assessment per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more

than five percent (5%) above the maximum annual assessment for the previous year, exclusive of any increases resulting from increased real property taxes, without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above five percent (5%), exclusive of any increases resulting from increased real property taxes, by the vote or written assent of two-thirds (2/3) of each class of members.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum, provided that it shall be an affirmative obligation of the Association and its Board of Directors to fix such assessments at an amount sufficient to maintain and operate the Common Area and facilities.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only 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 Area, including fixtures and personal property related thereto, provided that any such assessment shall have the vote or written assent of two-thirds (2/3) of each class of members.

Section 5. Notice and Method for Obtaining Votes Necessary for any Action Authorized Under Sections 3 and 4. Any action authorized under Section 3 or 4 shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than the requisite two-thirds (2/3) of each class of members, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the Association not later than thirty (30) days from the date of such meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis, except as otherwise provided in Section 3, hereof.

Section 7. Date of Commencement of Annual Assessments - Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the regular and special assessments on a specified Lot have been paid and the amount

of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid. The regular assessments as to Lots brought under this Declaration by annexation shall commence on the first day of the month following the recordation of the Declaration of Annexation with respect to the Lots described therein.

Section 8. Exempt Property. The following property subject to this Declaration shall be exempt from the assessment created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Area; and (c) all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Maryland. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 9. Effect of Nonpayment of Assessments - Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid at the rate of six percent (6%) per annum and, in addition to such interest, a charge in the amount of Five Dollars (\$5.00) shall be due and payable for the purpose of helping to defray the additional administrative costs involved in the collection of any such delinquent assessments. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property.

Section 10. Notice of Lien. No action shall be brought to foreclose said assessment lien or to proceed under the power of sale herein provided less than thirty (30) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Lot, and a copy thereof is recorded by the Association in the office of the county recorder in which the properties are located; such notice of claim must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed (which may at Association's option include interest on the unpaid assessment at the legal rate, plus reasonable attorney's fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the Association.

Section 11. Foreclosure Sale. Any such sale provided for above is to be conducted in accordance with the provisions of the laws of the State of Maryland, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association, through its duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

Section 12. Curing of Default. Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, to be determined by the Association, but not to exceed Thirty-Five Dollars (\$35.00), to cover the costs of preparing and filing or recording such release.

Section 13. Cumulative Remedies. The assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution of all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

Section 14. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a first mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VII

DUTIES AND POWER OF THE ASSOCIATION

Section 1. In addition to the duties and power enumerated in its Articles of Incorporation and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

(a) Own, maintain, improve, construct, reconstruct (in the event of deterioration or destruction) and manage all of the Common Area, including those common areas conveyed to the Association under the annexation procedure set forth in Article X, Section 4 hereof, and all facilities, improvements and landscaping thereon, and all property acquired by the Association, and to pay all the costs thereof;

(b) Pay all real and personal property taxes and other charges assessed against the Common Area;

(c) Have the authority to obtain, for the benefit of the Common Area, all water, gas and electric service and refuse collection;

(d) Grant easements where necessary for utilities and sewer facilities over the Common Area to serve the Common Area and the Lots;

(e) Maintain such policy or policies of insurance on the Common Area as the board of Directors of the Association deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its members;

(f) Have the authority to employ a manager or other persons, and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association.

(g) Have the authority, but not the obligation, to collect assessments established by other homeowners associations whose members are also members of this Association, provided the Association is reimbursed for expenses connected therewith;

(h) Enforce applicable provisions of this Declaration and the Bylaws of the Association and to establish and enforce uniform rules and regulations pertaining to the use of the Common Area and the recreational facilities thereof.

ARTICLE VIII

EXTERIOR MAINTENANCE

In the event an Owner of any Lot in the Properties shall fail to maintain the premises and the improvements, including the exterior planting, landscaping, or building, fence, wall or other structure situated thereon as provided in Article II of the Declaration, the Association, after thirty (30) days advance written notice and after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE IX

ARCHITECTURAL CONTROL

Section 1. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Committee.

Section 2. The Developer shall initially appoint the Architectural Committee, consisting of not less than Three (3) members, who shall remain in office until: (a) Eight (8) years from the date of the recording of the Declaration; or (b) Ninety percent (90%) of the Lots in the existing properties and the Lots in tracts annexed hereto pursuant to Article X, Section 4 hereof, have been conveyed; or (c) When Class B membership ceases to exist, whichever shall first occur. From and after such time or event, as the case may be, the Architectural Committee shall be composed of the Board of Directors of the Association or by Three (3) or more representatives appointed by the Board, who need not be members of the Association. In the event of the death or resignation of any member of the Committee prior to the time when the Board of Directors of the Association is vested with authority, the Developer shall have the right to appoint such member's successor. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within Thirty (30) days after said plans and specifications have been submitted to it, the approval will not be required and this Article will be deemed to have been fully complied with. No members of the Board or of the Architectural Committee shall be entitled to any compensation for such services performed pursuant

to this Article IX.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner 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. Failure by the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The expense of enforcement by the Association shall be chargeable to the Owner of the Lot violating these covenants and restrictions and shall constitute a lien on the Lot in the same manner as assessments hereunder.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Term and Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties and shall inure to the benefit of and be enforceable by the Association, its legal representatives, successors and assigns until December 1, 2003, and after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by not less than ninety percent (90%) of the Lot Owners for the first twenty (20) years following the recordation of this Declaration and seventy-five percent (75%) of the Lot Owners thereafter. Any amendment must be recorded.

Section 4. Annexation.

(a) Annexation Pursuant to Approval. Upon approval in writing of the Association, pursuant to a two-thirds (2/3) majority of the voting power of its members or the written assent of such members, the owner of any property who desires to add it to this Declaration and to subject it to the jurisdiction of the Association may file or record a Declaration of Annexation as described in (c) of this section.

(b) Annexation of Other Real Property by Developer. Notwithstanding the provisions of Section 4(a) of this Article, if the Developer, its successors and assigns, should develop additional lands contiguous to the Properties, such additional lands may be annexed by the Developer without the consent of Class A members, and upon recordation of a Declaration(s) of Annexation as below provided, the owners of the lots located within the Real Property described in such Declaration(s) of Annexation shall be members of the Association and shall be entitled to the use and enjoyment of the Common Area. This annexation procedure shall be subject to the following conditions:

(1) Any annexation pursuant to this Section shall be made within ten (10) years from the date of the recording of this Declaration.

(2) The development of the additional tracts shall be in

accordance with a general plan of development submitted to the Federal Housing Administration and the Veterans Administration with the processing papers for this tract.

(3) Detailed plans for the development of each portion of the additional tracts shall have been submitted to, and approved by, the Federal Housing Administration or the Veterans Administration prior to the development thereof.

(4) There shall have been recorded with respect to such additional tract, a Declaration of Annexation or similar instrument making the lots therein subject to this Declaration, including provisions subjecting said lots to assessment by the Association. Said Declaration shall designate the land for use as common areas, if any, to be owned by the Association.

(5) Prior to the conveyance of any improved lots in such additional tract, fee simple title to the common area within said tract shall be conveyed to the Association, free and clear of all encumbrances and liens, except current real property taxes, which taxes shall be prorated to the date of transfer, and easements, conditions and reservations then of record, including those set forth in this Declaration.

(c) Declarations of Annexation. The additions authorized under the foregoing Subsections shall be made by the recordation of a Declaration of Annexation with respect to the additional properties which shall extend the scheme of this Declaration to such properties. Any Declarations of Annexation contemplated above may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall any such Declarations of Annexation, merger or consolidation, revoke, modify or add to the covenants established by this Declaration, except as hereinafter otherwise provided.

Section 5. FHA/VA Approval. As long as there is a Class B membership the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration; dedication or mortgage of common area, annexation of additional properties, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 6. Mergers or Consolidations. Upon a merger or consolidation of the Association with another association, as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, 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, together with the covenants and restrictions established upon any other properties, as one scheme.

Section 7. Notices. Any notice required to be sent to any member or Owner under the provisions of this instrument shall be deemed to have been properly sent when mailed, 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.

IN WITNESS WHEREOF, the parties hereto have duly executed this instrument on the day and year first above written.

ATTEST:

LARWIN-ATLANTIC, INC.

Richard J. North
RICHARD J. NORTH

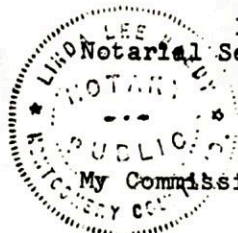
By F. A. Kober
PRES.
F. A. KOBER

WITNESS:

Prudence Anita Hutchins Sandra Paula Haines (SEAL)
PRUDENCE ANITA HUTCHINS Sandra Paula Haines

STATE OF MARYLAND, COUNTY OF Montgomery, to wit:

I HEREBY CERTIFY that on this 3rd day of December, 1973, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared F. A. Kober of LARWIN-ATLANTIC INC., a Delaware corporation, and that he, as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the Corporation by himself as such President and he acknowledged the same to be the deed and act of said Corporation.



IN WITNESS WHEREOF, I hereunto set my hand and affix my Notarial Seal.

Linda Lee Roedy
Notary Public
LINDA LEE ROEDY

STATE OF MARYLAND, CITY OF BALTIMORE, to wit:

County
I HEREBY CERTIFY that on this 3rd day of December, 1973, before me, the subscriber, a Notary Public of the State and City *Hawaii* aforesaid, personally appeared SANDRA PAULA HAINES known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and she acknowledged the same to be her act and deed.



IN WITNESS WHEREOF, I hereunto set my hand and affix my Notarial Seal.

Dorothy M. Bacon
Notary Public
DOROTHY M. BACON

My Commission Expires:
July 1, 1974

EXHIBIT "A"

All those lots of ground located, lying and being in the Gaithersburg, (No. 9) District of Montgomery County, Maryland, and more particularly described as follows:

BEGINNING for the first, and being known as Lots Numbers One (1) through Twelve (12), inclusive, of Block 2, and Lots Numbers One (1) through Five (5), inclusive, of Block 5, as shown on the plat entitled "Section One, Charlene," which plat is recorded among the Land Records of Montgomery County in Plat Book 94, at page 10277.

BEGINNING for the second, and being known as Lots Numbers Thirteen (13) through Seventeen (17), inclusive, of Block 2, and Lots Numbers One (1) through Seven (7), inclusive, of Block 3, and Lots Numbers One (1) through Twelve (12), inclusive, of Block 4, and Lots Numbers Six (6) through Eleven (11), inclusive, of Block 5, as shown on the plat entitled "Section Two, Charlene," which plat is recorded among the Land Records of Montgomery County in Plat Book 94, at page 10278.

BEGINNING for the third, and being known as Lot Number Twelve (12) of Block 5 and Lots Numbers Thirteen (13) and Fourteen (14) of Block 4, as shown on the plat entitled "Section Three, Charlene," which plat is recorded among the Land Records of Montgomery County in Plat Book 94, at page 10279.

EXHIBIT "B"

Being a parcel of land, designated "Green Space" as shown on a plat of subdivision entitled "Plat 2, Section Two, Charlene" and recorded among the Land Records of Montgomery County, Maryland, in Plat Book 94 as Plat No. 10278.

More particularly described as follows: Beginning for the same at a point in the southerly or North $84^{\circ} 29' 12''$ West 675.00 foot line as shown on the aforesaid plat, 317.60 feet from the beginning thereof, and running with part of the said line

- 1) North $84^{\circ} 29' 12''$ West 317.40 feet to a point in the easterly line of Goshen Road, as established by the aforesaid plat, 120.00 feet wide; thence leaving the aforesaid southerly line and running with the last said easterly line of Goshen Road
- 2) North $06^{\circ} 13' 57''$ East 229.35 feet to a point, said point being the southwesterly corner of Lot 1, Block 3 as shown on the aforesaid plat; thence running with the rear lines of Lots 1, 2 and 3 and the southeasterly line of Lot 3, all in Block 3, as shown on the aforesaid plat the following three (3) courses and distances:
- 3) South $83^{\circ} 46' 03''$ East 168.06 feet to a point; thence
- 4) South $49^{\circ} 19' 56''$ East 48.71 feet to a point; thence
- 5) North $35^{\circ} 53' 49''$ East 133.13 feet to a point in the southwesterly line of Lindenhurst Road, 60 feet wide, as shown on the aforesaid plat; thence running with the said line
- 6) 20.00 feet along the arc of a curve deflecting to the right, having a radius of 310.00 feet and a chord bearing and distance of South $54^{\circ} 06' 11''$ East 20.00 feet to a point, said point being the northernmost corner of Lot 4, Block 3, as shown on the aforesaid plat; thence running with the northwesterly line of the said Lot 4 and the rear lines of Lot 4, 5, 6 and 7, Block 3 of the same plat the following four (4) courses and distances:
- 7) South $35^{\circ} 53' 49''$ West 134.80 feet to a point; thence
- 8) South $49^{\circ} 19' 56''$ East 45.61 feet to a point; thence
- 9) South $25^{\circ} 24' 50''$ East 103.03 feet to a point; and thence;
- 10) South $05^{\circ} 30' 48''$ West 72.98 feet to the point of beginning; containing 65,749 square feet or 1.5094 acres.

