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THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS

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LIST OF EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
A	Description of the Reserved Parcel
B	Description of the Villages Property
C	Description of the Stormwater Management Facility Area
D	Description of the Monroe Street Right-of-Way Being Abandoned
E	Description of the Storm Drainage Easement Area

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THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
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THIS VILLAGES DECLARATION is made this 16TH day of FEBRUARY, 1996, by TOWER-DAWSON LIMITED PARTNERSHIP, a Maryland limited partnership, its heirs, successors and assigns (the "Grantor").

RECITALS

1. The Grantor has caused a nonstock corporation, known as The Villages at Tower Oaks Homeowners Association, Inc. to serve the Owners of the real property subject to this Villages Declaration with respect to the matters included in this Villages Declaration, the Villages Articles of Incorporation and the Villages Bylaws, including, without limitation: (1) the assessment, collection, and application of all charges imposed; (2) the enforcement of all covenants, conditions, easements and restrictions; and (3) the control of the Villages Design Review Committee.

2. The Villages Association is a Subassociation that governs only certain matters affecting the Villages Members who own the townhouses in the area known as the "Villages Property" which is described in the attached Exhibit "B" and is incorporated by reference.

3. The Tower Oaks Property Owners Association, Inc. Declaration of Covenants, Conditions, Easements and Restrictions governs all other matters not addressed in this Villages Declaration and must be read in conjunction with this Villages Declaration in order to understand the duties and obligations of the Villages Members living at the Villages Property.

NOW, THEREFORE, the Grantor desires to establish, declare, impose, grant and create certain covenants, conditions, easements and restrictions as provided in this Villages Declaration.

The Recitals are incorporated by reference into this Villages Declaration.

ARTICLE 1 -- DEFINITIONS

1.1. "Villages Annual Assessment" means the amount of the Villages Common Expenses Assessment and the Villages Special Assessments determined by the Villages Association to be paid by the Lot Owner for a particular fiscal year.

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1.2. "Villages Articles of Incorporation" means the Articles of Incorporation of The Villages, as filed or to be filed with the Maryland State Department of Assessments and Taxation.

1.3. "Villages Assessment(s)" means Villages Common Expenses Assessments, Villages Special Assessments, Villages Working Capital Fund and Villages Restoration Assessment as described in this Villages Declaration, including without limitation as described and provided under Article 8 and Article 9. The singular shall include the plural and vice versa.

1.4. "Villages Association" means The Villages at Tower Oaks Homeowners Association, Inc., a Maryland nonstock corporation and its lawful successors and assigns, formed or to be formed to administer, manage and operate the common affairs of the Villages Owners and to maintain, repair and replace the Villages General Common Areas and Facilities according to the Declaration and this Villages Declaration. The term "Villages Association" falls within the definition of Subassociation.

1.5. "Villages Board of Directors" means the Board of Directors of the Villages Association, as established by the Villages Articles of Incorporation.

1.6. "Villages Bylaws" means the Bylaws of Villages Association as adopted by the Villages Board of Directors.

1.7. "Villages Common Expenses" means those reasonable expenses incurred by Villages Association in the performance of its duties or powers, pursuant to this Villages Declaration, the Villages Bylaws or the Villages Articles of Incorporation. Notwithstanding anything above to the contrary, (i) any and all expenditures necessitated by the negligence or willful misconduct of any Villages Owner or any party acting by, under or for such Villages Owner shall be borne solely by the responsible Villages Owner as a Villages Restoration Assessment, and (ii) extraordinary expenditures necessitated by the unique needs of a Villages Owner or Owners constituting less than all of the Villages Owners, as determined from time to time by the Villages Board of Directors, shall be assessed only against the Villages Owner or Owners benefitting from such expenditures as a Villages Restoration Assessment.

1.8. "Villages Common Expenses Assessment" means the share of the Villages Common Expenses assessed to a Villages Lot as determined by the Villages Board of Directors to maintain and

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operate any Villages General Common Areas and Facilities and to perform the other responsibilities of the Villages Association as contemplated by this Villages Declaration.

1.9. "Villages Declaration" means this The Villages at Tower Oaks Homeowners Association, Inc. Declaration of Covenants, Conditions, Easements and Restrictions as the same may be modified from time to time in writing with respect to some or all of the Villages Property.

1.10. "Villages Design and Development Guidelines" means the guidelines prepared and issued from time to time by the Villages Design Review Committee for the purpose of facilitating the review and approval of certain activities affecting the Villages Property, in accordance with Article 15 of this Villages Declaration.

1.11. "Villages Design Review Committee" means the Villages Design Review Committee created pursuant to Article 15 of this Villages Declaration.

1.12. "Villages General Common Areas and Facilities" means those portions of the Villages Property that are owned in fee simple by the Villages Association and those improvements located thereon, and such land and improvements are intended to be maintained or preserved by the Villages Association for the common use or benefit of the Villages Owners. The Villages General Common Areas and Facilities are not intended to fall within the definition of Limited Common Areas and Facilities. Such Villages General Common Areas and Facilities shall also include, without limitation:

- (a) signage and landscape easement areas, including project and tenant identification signs to be erected there, and all appurtenant improvements and structures;
- (b) landscaping;
- (c) forest conservation easement areas;
- (d) streetscape and street medians;
- (e) decorative walls;
- (f) bus stops;
- (g) gazebos;
- (h) benches;
- (i) park/play ground areas and other similar type public facilities or amenities, as the City may require the Grantor or the Villages Association to maintain, or

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- as the Villages Association or the Grantor may choose to maintain;
- (j) pathways;
 - (k) site lighting;
 - (l) stormwater management facilities;
 - (m) any and all improvements on other portions of the Villages Property, or areas of the Property or the Reserved Parcel adjacent to the Villages Property, if maintenance of such land and/or improvements is reasonably related to preserving the value of the Villages Property or benefitting the Villages Owners, as determined by the Grantor or the Villages Association;
 - (n) any and all improvements on other portions of the Villages Property, or areas of the Property or the Reserved Parcel adjacent to the Villages Property, if maintenance of such land and/or improvements is reasonably related to implementing any and all conditions or obligations placed upon the Villages Property by Law, including without limitation, any governmental or quasi-governmental agencies, including, but not limited to, obligations set forth in any ordinances, regulations, site plan enforcement agreements or other agreements; provided, however, the Villages Association shall have no obligations with respect to the maintenance of the land and improvements associated with any conditions or obligations placed upon the Villages Owners of any Villages Lots which are improved with one or more Structures, and the Villages Association shall not be obligated to include such land and improvements as part of the Villages General Common Areas and Facilities.

1.13. "Villages Lot" means any recorded lot within the Villages Property as any such Villages Lot shall appear on any recorded subdivision plat. The term "Villages Lot" falls within the definition of Single Family Lot.

1.14. "Villages Member" means every Person, or group of Persons, who holds a membership in the Villages Association. Whenever in this Villages Declaration any action is required to be taken by a specified percentage of "each class of the then Villages Members" of the Villages Association, then such action shall be required to be taken separately by the specified percentage of the then outstanding Class A Members of the

Villages Association and by the specified percentage of the then outstanding Class B Members of the Villages Association. Whenever in this Villages Declaration any action is required to be taken by a specified percentage of the "then Villages Members" of the Villages Association, then such action shall be required to be taken by the specified percentage of the then outstanding cumulative Villages Membership of the Villages Association.

1.15. "Villages Mortgagee" means the mortgagee, beneficiary, trustee or other holder of any of the foregoing instruments, secured by land and improvements within the Village Property, provided the name and address of such mortgagee, beneficiary, trustee or other holder shall appear among the foregoing instruments recorded among the Montgomery County Land Records, or shall have been made known to Villages Association by written notice.

1.16. "Villages Owner" means the record owner of fee simple title of any Villages Lot, but excluding any person who holds such interest merely as security for the payment of an obligation, but including any mortgagee or other security holder in actual possession of any Villages Lot, by foreclosure or otherwise, and any person taking title from any such mortgagee or security holder and falls within the definition of Owner.

1.17. "Villages Property" means those portions of the Reserved Parcel from and after any annexation in the manner prescribed in the Declaration and in Section 4.3 of this Villages Declaration which is also then subjected to the jurisdiction of both the Declaration and this Villages Declaration. The land that is constitutes the Villages Property is also described in the attached Exhibit "B" which is incorporated by reference.

1.18. "Villages Review Fee" means any reasonable fee imposed upon a Villages Owner, or any other Person acting by or on behalf of, or with the permission of, such Villages Owner, by the Villages Design Review Committee in conjunction with the review of plans and specifications as required by Article 15 of this Villages Declaration.

1.19. "Villages Rules and Regulations" shall mean and refer to rules and regulations adopted by the Villages Board of Directors of the Villages Association concerning the use and enjoyment of the Villages General Common Areas and Facilities.

1.20. "Annual Assessment" means the amount of the Common Expenses Assessment and Special Assessments by the Association to be paid by the Owner of a Lot for a particular fiscal year.

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1.21. "Articles of Incorporation" means the Articles of Incorporation of the Association, as filed or to be filed with the Maryland State Department of Assessments and Taxation.

1.22. "Assessment(s)" means Common Expenses Assessments, Special Assessments, Working Capital Fund and Restoration Assessment as described in this Villages Declaration, including without limitation as described and provided under Article 8 and Article 9.

1.23. "Association" means the Tower Oaks Property Owners Association, Inc., a Maryland nonstock corporation and its lawful successors and assigns, formed or to be formed to administer, manage and operate the common affairs of the Owners and to maintain, repair and replace the General or Limited Common Areas and Facilities according to the Declaration.

1.24. "Board of Directors" means the Board of Directors of the Association, as established by the Articles of Incorporation.

1.25. "Bylaws" means the Bylaws of the Association as adopted by the Board of Directors.

1.26. "City" means the Mayor and Council of Rockville, a body corporate and politic.

1.27. "Common Expenses" means those reasonable expenses incurred by the Association in the performance of its duties or powers, pursuant to the Declaration, the Articles of Incorporation, and the Bylaws. Notwithstanding anything above to the contrary, (i) any and all expenditures necessitated by the negligence or willful misconduct of any Owner or any party acting by, under or for such Owner shall be borne solely by the responsible Owner as a Restoration Assessment, and (ii) extraordinary expenditures necessitated by the unique needs of an Owner or Owners constituting less than all of the Owners, as determined from time to time by the Board of Directors, shall be assessed only against the Owner or Owners benefitting from such expenditures as a Restoration Assessment.

1.28. "Common Expenses Assessment" means the share of the Common Expenses assessed to a Lot as determined by the Board of Directors to maintain and operate any General and Limited Common Areas and Facilities and to perform the other responsibilities of the Association as contemplated by the Declaration.

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1.29. "Comprehensive Planned Development" means Comprehensive Planned Development Application CPD-1-85, known as "Tower-Oaks Concept Plan," as initially approved by the Mayor and Council of the City pursuant to Resolution No. 25-87, Tower-Dawson Limited Partnership, Applicant, as amended by Resolution No. 21-93, and as may be further amended from time to time, which relates to the comprehensive planned development of the Reserved Parcel, together with all present and future Detailed Applications approved pursuant thereto by the appropriate governmental authority and applicable Law.

1.30. "Declaration" means the Declaration of Covenants, Conditions, Easements and Restrictions as the same may be modified from time to time in writing with respect to some or all of the Property and the Reserved Parcel.

1.31. "Design and Development Guidelines" means a certain document entitled "Design and Development Guidelines for Tower Oaks, City of Rockville, Maryland" issued from time to time by the Association or the Tower Oaks Design Review Committee for the purpose of facilitating the review and approval of all development, landscaping, and site plans for the Property and each Lot, in accordance with Article 6 of the Declaration.

1.32. "Easement Area" means a strip of land within the property lines of each Lot, measuring twenty (20) feet in width along the side or sides fronting on a public or private street and ten (10) feet in width on all other sides.

1.33. "General Common Areas and Facilities" means those portions of the Property or areas adjacent to the Property, as designated from time to time by Grantor or the Association, which are intended to be maintained or preserved by the Association for the common use or benefit of all of the Owners. General Common Areas shall be designated on record plats recorded in the Land Records and shall be conveyed to the Association by the Grantor by deed. The General Common Areas and Facilities shall also include, without limitation:

- (a) signage and landscape easement areas, including project and tenant identification signs to be erected there, and all appurtenant improvements and structures;
- (b) landscaping;
- (c) forest conservation easement areas;
- (d) streetscape and street medians;
- (e) decorative walls;
- (f) bus stops;

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- (g) gazebos;
- (h) benches;
- (i) park/play ground areas and other similar type public facilities or amenities, as the City may require the Grantor or the Association to maintain, or as the Association or the Grantor may choose to maintain;
- (j) pathways;
- (k) site lighting;
- (l) stormwater management facilities;
- (m) any and all improvements on other portions of the Property, or areas of the Reserved Parcel adjacent to the Property, if maintenance of such land and/or improvements is reasonably related to preserving the value of the Property or benefitting the Owners, as determined by the Grantor or the Association;
- (n) any and all improvements on other portions of the Property, or areas of the Reserved Parcel adjacent to the Property, if maintenance of such land and/or improvements is reasonably related to implementing any and all conditions or obligations placed upon the Property by Law, including without limitation, any governmental or quasi-governmental agencies, including, but not limited to, obligations set forth in any ordinances, regulations, site plan enforcement agreements or other agreements; provided, however, the Association shall have no obligations with respect to the maintenance of the land and improvements associated with any conditions or obligations placed upon the Owners of any Lots which are improved with one or more Structures, and the Association shall not be obligated to include such land and improvements as part of the General Common Areas and Facilities.

1.34. "Grantor" means Tower-Dawson Limited Partnership, a Maryland limited partnership, and to the extent provided in Article 6 in the Declaration, its heirs, successors and assigns.

1.35. "Gross Floor Area of Building" means and shall refer to Nonresidential Lots only and the definition shall be the definition of "gross floor area of building" as provided under the Rockville City Code in effect at the time of the approval of the Comprehensive Planned Development. This definition shall be automatically amended to comply with current approvals for the Comprehensive Planned Development.

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1.36. "Home Occupation" means the definition of "home occupation" as currently provided, and as amended from time to time, under the Code of the City.

1.37. "Land Records" means the Land Records of Montgomery County, Maryland, the jurisdiction in which the Reserved Parcel is located.

1.38. "Law" any applicable local, state or federal laws, rules and regulations, and ordinances of whatever sort, including without limitation, zoning regulations or land use approvals granted pursuant to such zoning regulations, and the Comprehensive Planned Development.

1.39. "Limited Common Areas and Facilities" means any portions of the Property or areas adjacent to the Property, as designated from time to time by Grantor or the Association, which are intended to be maintained by the Association, for the common use or benefit of some, but less than all of the Owners.

1.40. "Lot" means any recorded lot or any recorded parcel within the Property as the same shall appear on any recorded subdivision plat, and shall, unless the context requires otherwise, include a Single Family Lot or a Nonresidential Lot. For the definition of "Single Family Lot" or "Nonresidential Lot," see Sections 1.53 and 1.44 respectively.

1.41. "Member" means every Person, or group of Persons, who holds a class of membership in the Association, including the Grantor.

1.42. "Mortgage" means a mortgage, deed of trust or other security device encumbering one or more Lots and recorded among the Land Records and "Mortgagee" means the mortgagee, beneficiary, trustee or other holder of any of the foregoing instruments, provided the name and address of such mortgagee, beneficiary, trustee or other holder shall appear among the foregoing instruments recorded among the Land Records, or shall have been made known to the Association by written notice.

In the event any Mortgage secured by a Villages Lot is insured by the Federal Housing Administration ("FHA") or guaranteed by the Veterans Administration ("VA"), then as to such Mortgage, the expression "Mortgagee" includes the FHA or the VA, as the circumstances may require, acting, respectively, through the Federal Housing Commissioner and the Commissioner of Veterans Benefits or through other duly authorized agents.

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1.43. "First Mortgage" means a Mortgage with priority over other Mortgages.

1.44. "Nonresidential Lot" means any Lot that is not a Single Family Lot and the improvements constructed or to be constructed are intended primarily for uses other than a single family home, such as office building, hotel, retirement housing, retail use, restaurant or similar uses.

1.45. "Notice" means written statements either (i) delivered by registered mail; (ii) delivered personally or by regular mail addressed to the last known address of the intended recipient, the effective date of which shall be either the third (3rd) calendar day after the date on which the statement is deposited with the U.S. Postal Service, if properly addressed, or the day on which such statement is personally delivered; or (iii) published at least once a week for three (3) successive weeks in a newspaper having general circulation in Montgomery County, Maryland which newspaper shall be selected in the sole discretion of the party giving Notice and shall include, without limitation, any of the following: The Washington Post, The Montgomery County Journal, The Gazette Newspapers, The Sentinel and The Washington Times; provided that copies of such published statements are also given to any Mortgagee of any affected Nonresidential Lot or any affected Single Family Lot and to parties listed on the master address list of the Association by one of the methods specified in clause (i) or (ii) above.

1.46. "Owner" means the record owner of fee simple title of any Lot, but excluding any person who holds such interest merely as security for the payment of an obligation, but including any mortgagee or other security holder in actual possession of any Lot, by foreclosure or otherwise, and any person taking title from any such mortgagee or security holder.

1.47. "Person" means any corporation, partnership, trust and other legal entities as well as a natural person and includes the singular and the plural.

1.48. "Property" means those portions of the Reserved Parcel from and after any annexation in the manner prescribed in the Declaration.

1.49. "Professional Office" means rooms used for office purposes by a Villages Member of any recognized profession, including doctors, dentists, lawyers, architects and the like, but not including medical or dental clinics.

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1.50. "Reserved Parcel" means: (1) the real property described in Exhibit "A" attached to this Villages Declaration and the Declaration which is incorporated by reference, (2) any real property shown on the plans filed by Grantor or (3) any real property which is contiguous to or in the vicinity of the property described on Exhibit "A" which becomes subject to the Comprehensive Planned Development by Law, including, without limitation, a portion of the existing right-of-way along Monroe Street which is in the process of being abandoned, as more particularly described in the attached Exhibit "D" which is incorporated by reference.

1.51. "Review Fee" means any reasonable fee imposed upon an Owner or lessee by the Tower Oaks Design Review Committee in conjunction with the review of plans and specifications as required by the Declaration.

1.52. "Rules and Regulations" shall mean and refer to rules and regulations adopted by the Board of Directors of the Association concerning the use and enjoyment of the General Common Areas and Facilities and the Limited Common Areas and Facilities.

1.53. "Single Family Lot" means a Lot on which the improvements constructed or to be constructed are intended primarily for long-term (i.e., more than six months) residential purposes, including without limitation, Lots containing residential condominium units or rental apartments, townhouses, or single family homes.

1.54. "Structure" means any thing or device, the placement of which, upon any Lot, might affect its physical appearance, including, by way of illustration and not limitation, buildings, paving, sheds, storage containers, dumpsters, patios, driveways, fountains, pools, ponds, parking areas, trees, shrubbery, paving, curbing, landscaping, fences or walls, or any sign or signboard. "Structure" shall also mean an excavation or fill, the volume of which exceeds ten (10) cubic yards or any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters upon or across any Lot or which affects or alters the flow of any water in any natural or artificial stream, wash or drainage channel upon or across any Lot.

1.55. "Subassociation" means a homeowners association, condominium council of unit owners or cooperative association, created by a declaration or other appropriate instrument recorded among the Land Records which subjects a portion of the Property

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to covenants, conditions, easements and/or restrictions in addition to those set forth in the Declaration and provides for additional rights and/or obligations with respect to such portion of the Property. The term "Subassociation" includes the Villages Association.

1.56. "Supplementary Declaration" means an instrument, recorded among the Land Records, for the purpose of subjecting all or a portion of the Reserved Parcel to the Declaration and/or this Villages Declaration.

1.57. "Tower Oaks Design Review Committee" means the Tower Oaks Design Review Committee created pursuant to the Declaration.

ARTICLE 2 -- RELATION OF THIS VILLAGES DECLARATION TO THE
DECLARATION GOVERNING ALL OF THE RESERVED PARCEL;
CAPITALIZED TERMS AND CONFLICTS

Unless expressly provided otherwise in this Villages Declaration, as approved by the Grantor and/or the Association, all of the terms and conditions of this Villages Declaration must be satisfied in addition to, and not in lieu of, those terms and conditions of the Declaration, the Articles of Incorporation and the Bylaws.

Unless the context requires otherwise or it is specifically provided otherwise, capitalized terms shall have the meanings provided in Article 1 and elsewhere in the Declaration. Similarly, the same capitalized terms provided in the Articles of Incorporation or the Bylaws shall have the same meaning as provided in Article 1 and elsewhere in the Declaration. Where there is any conflict in interpretation among the Declaration, the Articles of Incorporation and/or the Bylaws, the Declaration controls.

For convenience of reference, numerous definitions contained in the Declaration, the Articles of Incorporation and the Bylaws are repeated in this Villages Declaration, the Villages Articles of Incorporation and the Villages Bylaws. If there is any difference in the language of the definition of the same capitalized term among the Declaration, the Articles of Incorporation and/or the Bylaws, and: (1) this Villages Declaration, (2) the Villages Articles of Incorporation, and/or (3) the Villages Bylaws, the definition contained in the Declaration controls.

Subject to the above provision concerning the Declaration, ultimately controlling the definition of certain capitalized

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terms, unless the context requires otherwise, or it is specifically provided otherwise, capitalized terms in this Villages Declaration, the Villages Articles of Incorporation, and the Villages Bylaws shall have the meanings provided in Article 1 and elsewhere in this Villages Declaration. Where there is such a conflict in interpretation among this Villages Declaration, the Villages Articles of Incorporation and/or the Villages Bylaws, this Villages Declaration controls.

ARTICLE 3 -- NOTICE OF PROXIMITY TO BALL FIELDS AT DOGWOOD PARK

The Villages Property is located immediately south of and adjacent to Dogwood Park, a public park operated by the City of Rockville Department of Recreation and Parks ("Dogwood Park"). Dogwood Park is open to all residents of the Villages Property as well as the general public. All together, Dogwood Park consists of approximately 24.9 acres, including both the recreation areas and forested areas. The forested areas directly adjoin parts of the boundary with the Villages Property. The Villages Property has direct pedestrian access to Dogwood Park; there is no direct vehicular connection. Vehicles using Dogwood Park have no direct access to the streets in the Villages Property.

Dogwood Park contains numerous active recreation facilities including, but not limited to, two lighted playing fields, batting cages, tennis courts, basketball courts, a large area of children's play equipment, picnic facilities and snack bar. Both lighted playing fields are suitable for baseball, football, soccer and other field sports. The City currently organizes and/or schedules league play in baseball and football during the typical seasons for such sports and may do so for other field sports in the future.

One lighted playing field that is used for baseball and football (the "Ballfield") is located very close to the border between the Villages Property and Dogwood Park. The Ballfield is heavily used for football and baseball programs of the City. Sporting events conducted on the Ballfield typically generate the noise of enthusiastic spectators. Particularly in the summer, such activities generally continue after sunset, sometimes as late as or later than 11:00 p.m., and employ lights to illuminate the Ballfield. During usage for baseball, the first base line at the Ballfield is parallel to the property border between the Villages Property and Dogwood Park and foul balls from baseball games have been hit so as to travel across the property boundary.

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ARTICLE 4 -- PROPERTY SUBJECT TO THE DECLARATION AND THE VILLAGES
DECLARATION

4.1. General Declaration for the Property.

Grantor hereby declares that the real property which may be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to: (1) the Declaration, and (2) this Villages Declaration shall be as described in a Supplementary Declaration.

Grantor shall have the right to annex in increments and subject all or any other portion of the Reserved Parcel to this Villages Declaration by executing and recording one or more Supplementary Declarations, regardless of the ownership of the Reserved Parcel at the time of such annexation, and without the need for the execution or filing of any Supplementary Declaration by any other party; provided, however, notwithstanding anything contained in the Declaration to the contrary, Grantor's right to unilaterally annex and subject all or a portion of the Reserved Parcel to this Villages Declaration shall only continue for a period of ten (10) years from the recordation of this Villages Declaration by Grantor.

As long as any Villages Lot is encumbered by a Mortgage which is guaranteed by the VA or insured by the FHA, no annexation, shall be made pursuant to this Section 4.1, or otherwise, except following a determination by the VA and/or the FHA that the annexation conforms to a general plan for the development of the Villages Property previously approved by the VA and/or the FHA or, if no such general plan was approved by the VA and/or the FHA except following the prior written approval of the VA and/or the FHA.

All of the provisions of this Villages Declaration are declared and agreed to be in furtherance of a plan for the subdivision, improvement, leasing or sale of the Villages Property and are established for the purpose of enhancing and protecting the value, desirability and attractiveness of any and all of the Villages Property. The provisions of this Villages Declaration, as may be modified or amended as set forth in one or more Supplementary Declarations, shall run with all of the Villages Property for all purposes and shall be binding upon and inure to the benefit of Grantor and all Villages Owners, Villages Members, lessees, licensees, occupants and their successors in interest as set forth in this Villages Declaration.

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4.2. Annexation of the Villages General Common Areas and Facilities.

The Villages General Common Areas and Facilities shall be annexed into the jurisdiction of the Villages Association through a Supplementary Declaration as provided in this Villages Declaration and shall be conveyed in fee simple to the Villages Association by the Grantor in accordance with the Law, including, without limitation, the Comprehensive Planned Development. The Grantor reserves the right to seek an amendment to the Comprehensive Planned Development for the purpose of modifying the location and amount of real property comprising the Villages General Common Areas and Facilities, and for the purpose of modifying the improvements to be constructed on such Villages General Common Areas and Facilities, including but not limited to an amendment whereby such improvements are no longer required to be constructed, which amendment shall be approved in accordance with the Law. All such Villages General Common Areas and Facilities shall be conveyed to the Villages Association free and clear of liens, subject to easements, rights of way and other customary matters of record.

4.3. Addition of Other Real Property Owned or Acquired by Grantor.

Notwithstanding anything contained in the Declaration to the contrary, except for unilateral annexations by Grantor of portions of the Reserved Parcel into the Villages Property within the ten (10) year period, as provided in Section 4.1, annexations of real property to be subjected to the jurisdiction of this Villages Declaration (whether or not part of the Reserved Parcel) shall require the consent of (i) Villages Owners entitled to cast at least two-thirds (2/3) of the votes of the then Villages Members.

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4.4. Deannexation.

As long as there are any Class B Members, the Grantor may deannex any property from the Villages Property for a period of five (5) years from the date of recordation of this Villages Declaration. Such deannexed property shall no longer be subject to the covenants and restrictions of this Villages Declaration, except for any easements, rights, reservations, exemptions, powers or privileges reserved to the Grantor, pursuant to this Villages Declaration, which affect the deannexed property. Such deannexation shall be made by recording a Supplementary Declaration among the Land Records, withdrawing the effect of the covenants and restrictions of this Villages Declaration from the deannexed property. Such deannexed property may be utilized by the Grantor, or any successor, assign or transferee thereof, for any lawful purpose or use.

As long as any Villages Lot within the Villages Property is encumbered by a deed of trust or mortgage which is guaranteed by the VA or insured by the FHA, no deannexation shall be made pursuant to this Article, or otherwise, except following a determination by the VA or the FHA that the deannexation is not contrary to a general plan for the development of the community previously approved by the VA or the FHA or, if no such general plan was approved by the VA or the FHA, except following the prior written approval of the VA or the FHA.

The foregoing notwithstanding, no property may be deannexed if such property provides the only access to a Villages Lot which is not itself being deannexed, unless and until an alternative access to such Villages Lot has been provided and is either subject to this Villages Declaration or publicly dedicated.

The foregoing notwithstanding, the right to deannex property created under this Villages Declaration is not intended to and does not limit or otherwise affect the rights and responsibilities that must be followed pursuant to the Comprehensive Planned Development, which may require approvals and the satisfaction of conditions under the Law including those imposed by the City.

ARTICLE 5 -- DURATION AND MODIFICATION OF VILLAGES DECLARATION

5.1. Duration.

This Villages Declaration shall remain in full force and effect until January 1, 2020, and shall, as then in force, be continued automatically for successive twenty (20) year periods, without further notice, and without limitation, unless modified or terminated in the manner set forth in Section 5.2.

5.2. Modification or Termination.

Subject to the provisions of Article 21, this Villages Declaration may be modified in any particular manner by recording among the Land Records an agreement of modification approved by the Villages Owners entitled to cast at least seventy-five percent (75%) of the votes of the then Villages Members. Upon any modification as provided in this Section 5.2, this Villages Declaration shall continue in full force and effect as so modified.

If more than one Person owns any Villages Lot, any one such Person may execute any agreement of modification or termination under this Section 5.2 and such execution shall be conclusive and binding with respect to all other Persons having any interest in the Villages Lot in question.

ARTICLE 6 -- POWERS OF ASSOCIATION

6.1. Grant of Powers.

Subject to the provisions of this Villages Declaration, the Villages Association may:

(a) adopt and amend Villages Bylaws and Villages Rules and Regulations;

(b) adopt and amend budgets for revenues, expenditures, and reserves, and collect Assessments and Villages Assessments from Villages Owners;

(c) hire and discharge managing agents and other employees, agents, and independent contractors;

(d) make contracts and incur liabilities;

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(e) regulate the use, maintenance, repair, replacement, and modification of the Villages General Common Areas and Facilities;

(f) cause additional improvements to be made as part of the Villages General Common Areas and Facilities;

(g) acquire, hold, and convey in its own name any right, title, or interest to real estate or personal property; provided, however, the conveyance of any real property interest shall not be effective without the prior written approval of the Association;

(h) grant easements, leases, licenses, and concessions through or over the Villages General Common Areas and Facilities;

(i) impose and receive any payments, fees, or charges for the use, rental, or operation of the Villages General Common Areas and Facilities and for services separately contracted for between the Association and a Villages Owner that are not within the ambit of the rights and responsibilities of this Villages Declaration;

(j) impose charges for late payment of Villages Assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Villages Declaration, the Villages Bylaws, and Villages Rules and Regulations;

(k) impose reasonable charges for the preparation of statements of unpaid Villages Assessments;

(l) provide for the indemnification of its officers and maintain directors' and officers' liability insurance; and

(m) exercise any and all other powers necessary and proper for the governance and operation of the Villages Association, not inconsistent with the express powers and the limitations on those powers listed in this Section 6.1. Provided, however, the Board of Directors of the Association shall have the irrevocable right, by resolution duly approved by at least seventy-five (75%) of all of the members of the Board of Directors delivered to the Villages Association, to limit or to cease the exercise of any powers exercised or to be exercised by the Villages Association if it is so determined by the Board of

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Directors that such a limitation or cessation is necessary for the health, safety or welfare of the Members of the Association.

6.2. Delegation.

The powers, duties and authority of the Villages Association shall be exercised by the Villages Board of Directors, and/or by such officers, committees, agents or employees as may be appointed, formed, retained or employed by the Villages Board of Directors pursuant to the provisions of this Villages Declaration, or the Villages Articles of Incorporation or Villages Bylaws.

6.3. Powers Reserved to Association.

Powers not delegated to the Villages Association are reserved to the Association.

6.4. Acts of Villages Association.

The Villages Association, and not the Association shall have liability, if any, for the acts or omissions of the Villages Association with respect to the exercise of powers described in this Villages Declaration.

6.5. Acts of the Association.

The Association, and not the Villages Association shall have liability, if any, for the acts or omissions of the Association with respect to the exercise of powers described in the Declaration.

6.6. Conflict of Provisions.

Where there is a conflict between the provisions of the Declaration and this Villages Declaration as to which entity has the power to act or not to act, or as to any other meaning of any provisions, the provisions shall be interpreted so that the Declaration shall control, unless specifically provided otherwise in this Villages Declaration as it is originally recorded in the Land Records. No modification of this Villages Declaration shall have the effect of controlling a conflicting provision between the Declaration and this Villages Declaration without the prior approval of a majority of the Board of Directors of the Association, which prior approval shall be evidenced by a duly

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passed written resolution of the Board of Directors that has been notarized and recorded in the Land Records.

The Association shall have the sole power to:
(i) decide whether the Association or the Villages Association has the power to act or not to act; (ii) revoke any powers delegated to the Villages Association; and (iii) make the controlling interpretation of conflicting provisions between the Declaration, the Articles of Incorporation or the Bylaws and this Villages Declaration, the Villages Articles of Incorporation or the Villages Bylaws.

ARTICLE 7 -- PROPERTY RIGHTS AND EASEMENTS

7.1. Right of Enjoyment to Villages General Common Areas and Facilities.

Subject to the limitations hereafter provided, every Villages Owner shall have a right and easement of enjoyment in and to any Villages General Common Areas and Facilities which rights and easements shall be appurtenant to and shall pass with the title to each Villages Lot.

7.2. Delegation of Rights of Use. Any Villages Owner may delegate his rights to the use and enjoyment of the Villages General Common Areas and Facilities to the members of his family who reside permanently with him and to his tenants, contract purchasers and guests, all of whom are subject to such reasonable Villages Rules and Regulations which the Villages Association may adopt and uniformly apply and enforce.

7.3. Limitations.

The Villages Owner's right granted in Section 7.1 shall be subject to and limited by the following:

(a) The right of the Villages Association to dedicate, transfer, or grant other rights over or to any part of the Villages General Common Areas and Facilities owned or maintained by the Villages Association as applicable to any public agency, authority, or utility for such purposes as are deemed appropriate by the Villages Association; and

(b) The right of Grantor or the Association to limit the rights of use or benefit to Limited Common Areas and Facilities to those Owners whom Grantor or the Association have

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designated or to those Owners who pay any portion of the Common Expenses related thereto.

(c) Such other reasonable Rules and Regulations of the Association and Villages Rules and Regulations implemented from time to time by the Association and/or the Villages Association as the case may be.

7.4. Forest Conservation Easement.

The use of the Villages General Common Areas and Facilities is subject to certain forest conservation easements, plans and agreements which control and restrict activities associated with forested areas and certain individual trees and plantings located within certain portions of the Villages General Common Areas and Facilities, as such documents may be amended from time to time. Such restrictions include requiring the approval of the City to take certain actions including, without limitation, removing trees. Each Villages Member is hereby notified of the existence of such use restrictions, and is liable for not complying with them. The Villages Association shall maintain a copy of such forest conservation easements, plans and agreements for any Villages Member to examine and/or copy for a reasonable charge. As of the date of recordation of this Villages Declaration, the documents that address such activity are:

- (a) Forest Conservation Easement and Declaration of Covenants, which is to be recorded among the Montgomery County Land Records;
- (b) Final Forest Conservation Plan FTPO No. 95-17, which is on file with the City;
- (c) Landscape Plan which was approved by the City as part of the Detailed Application No. CPD94-0001D, and which is on file with the City.

7.5. Easements to Villages Owners and Lessees; Right of Ingress and Egress.

In addition to and not in lieu of other easements and rights which may exist for the benefit of the Grantor or the Villages Owner, every Villages Owner and lessee, their successors and assigns, shall have the following perpetual easements with respect to the Villages Property:

- (a) A nonexclusive easement for ingress and egress to its Villages Lot over, across, and through any private

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roadways, paths and walkways within the Villages Property but only to the extent reasonably necessary to obtain access to such Villages Lot subject to the right of the Villages Association to promulgate Villages Rules and Regulations for the use of such areas; and

(b) A perpetual easement in common with the Owners of all other Lots to use all public pipes, wires, cables, and utility lines.

7.6. Stormwater Management Easement.

There is hereby reserved and created for the benefit of the Villages Association and the Villages Owners and the Villages Members the private stormwater management easement, the area for which is described in the attached Exhibit "C" which is incorporated by reference (hereinafter referred to as the "Stormwater Management Facility Easement"). This Stormwater Management Facility Easement is hereby permitted to encroach upon the Villages Lots touched by the Stormwater Management Facility. The Grantor and/or the Villages Association is hereby permitted to provide landscaping as required under the Comprehensive Planned Development and any additional landscaping as determined by the Grantor and/or the Villages Association, and to otherwise repair, maintain and replace any Structure within the Stormwater Management Facility Easement. The Grantor and/or the Villages Association shall have reasonable access to the Stormwater Management Facility Easement over any portion of any such Villages Lot for the purposes described in this Section 7.6. The Grantor or the Villages Association, as applicable, shall, to the extent reasonably feasible, restore the disturbed area to its original condition subsequent to any work performed by such party. The Villages Owners shall not interfere with this Stormwater Management Facility Easement.

7.7. Storm Drainage Easement.

There is hereby reserved and created for the benefit of the Villages Association, the Association, the Villages Owners, the Villages Members and the Owners and the Members a private storm drainage easement, the area for which is described in the attached Exhibit "E" which is incorporated by reference (hereinafter referred to as the "Storm Drainage Easement"). This Storm Drainage Easement is hereby permitted to encroach upon the Villages Lots touched by this Storm Drainage Easement including, without limitation, the steps of buildings. The Grantor and/or the Villages Association is hereby permitted to have reasonable

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access to the Storm Drainage Easement over any portion of any such Villages Lot for the purposes described in this Section 7.7. The Grantor and/or the Villages Association is hereby permitted to provide landscaping as required under the Comprehensive Planned Development and any additional landscaping as determined by the Grantor and/or the Villages Association, and to otherwise repair, maintain and replace any Structure within the Storm Drainage Easement. The Grantor, the Association, or the Villages Association, as applicable, shall, to the extent reasonably feasible, restore the disturbed area to its original condition subsequent to any work performed by such party.

The Villages Owners shall not interfere with this Storm Drainage Easement, including, without limitation, the erection of any Structure within the Storm Drainage Easement, unless permitted by the Villages Design Review Committee, and in such case, only to the extent that such permission is not in conflict with the Comprehensive Planned Development or other applicable Law. The Villages Lots on which this Storm Drainage Easement encroaches are currently identified as: Lots 1 through and including 6, 10, 11, 32, 38, 47 through and including 51, 63, 65 through and including 68, 73 through and including 85, 99, 100, 108 through and including 110, 119 and 124 all of Block A of the Villages Property.

7.8. Easement for Original Construction.

With respect to any step, patio, deck, downspout or yard drain or other similar Structure that may benefit any Villages Lot and is constructed by the Grantor and which may encroach upon any portion of the Villages General Common Areas and Facilities, there is hereby reserved for the benefit of the Villages Lot which such step, patio, deck, downspout, drain or other Structure serves, a perpetual easement for the location, maintenance, repair and use of such Structure or items within the Villages General Common Areas and Facilities, but only to the extent the Grantor's original construction thereof encroaches within the Villages General Common Areas and Facilities. The Villages Owner of the Villages Lot benefiting from such easement agrees to maintain such Structure or item and to indemnify and hold the Villages Association harmless from any loss, liability or damage arising out of or resulting from the use, enjoyment and benefit of the easement granted hereby.

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7.9. Maintenance and Utility Easements; Right of Ingress and Egress.

Grantor hereby reserves to itself and grants to the Villages Association the following perpetual easements with respect to the Villages Property:

(a) The Villages Association shall have the perpetual and nonexclusive right of access to each Villages Lot (excluding the interior of any occupied structure) (i) to inspect same for the purpose of verifying conformance with this Villages Declaration and any reasonable Villages Rules and Regulations; (ii) to remedy any violations set forth in this Villages Declaration and any reasonable Villages Rules and Regulations; and (iii) to perform any operations required in connection with the maintenance, repair, or replacement of or to the Villages General Common Areas and Facilities, any equipment, facilities, or fixtures affecting or serving other Villages Lot(s) or the Villages General Common Areas and Facilities, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Villages Owner. In case of an emergency, such right of entry shall be immediate, whether the Owner is notified in advance or not; and

(b) A blanket, perpetual, and nonexclusive easement in, upon, over, under, across, and through the Villages Property for surface water runoff and drainage originating on or off the Villages Property caused by natural forces and elements, by grading, and/or by improvements, including, without limitation, any stormwater management facilities located on or off the Villages Property. No individual Villages Owner shall directly or indirectly interfere with or alter any of such drainage and runoff patterns and systems within the Villages Property without the prior written consent of the Villages Association;

(c) A blanket, perpetual, and nonexclusive easement in, upon, over, across, and through the Villages Property for the purpose of installation, maintenance, repair, service, and replacement of all sewer, water, power, and telephone pipes, lines, mains, conduits, waters, poles, transformers, meters, and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the Property and the Lots, which easement shall also be for the benefit of any governmental agency or utility company or other entity that requires same for the purpose of furnishing one or more of the foregoing services, including, without limitation, the City; and

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(d) A blanket, perpetual, and nonexclusive easement of unobstructed ingress and egress in, upon, over, across, and through the Villages Property for the benefit of the Villages Association and the Owners (but not the public in general), which easement shall also be for the benefit of any governmental agency or utility company or other entity that requires same for the purpose of furnishing one or more of the foregoing services as described in Section 7.9.(c), including, without limitation, the City, and all police, fire, and ambulance personnel in the proper performance of their respective duties. Except in the event of emergencies, the rights accompanying the easements provided for in this subsection shall be exercised only after advance notice to the Villages Association.

7.10. Grading Easements.

Grantor, the Association, or the Villages Association, as applicable, may at any time make such cuts and fills upon any part of the Villages Property and do such grading and moving of earth as, in its judgment, may be necessary to improve or maintain the streets in or adjacent to the Villages Property and to drain surface waters therefrom, and may assign such rights to any municipal or public authority, provided, however, that, after the principal Structure upon a Lot shall have been completed in accordance with the plans and specifications duly approved by the Tower Oaks Design Review Committee, the rights of Grantor, the Association, or the Villages Association, as applicable, under the Declaration, shall terminate with respect to all parts of each Lot other than the Easement Area, except that Grantor, the Association, or the Villages Association, as applicable, or any municipal or public authority shall have the right to maintain existing streets and drainage structures. The Grantor, the Association, or the Villages Association, as applicable, shall, to the extent reasonably feasible, restore the disturbed area to its original condition subsequent to any grading work performed by such party.

7.11. Construction Easements.

There is hereby reserved unto Grantor (and any successors and assigns to whom such easement has been specifically assigned in writing), for the benefit of Grantor, and for the benefit of the Reserved Parcel, the Property, and the Villages Property, a non-exclusive perpetual easement and right of passage on, through, over, under and across the Villages Property for construction vehicles, equipment and personnel if necessary to facilitate and enable the development and

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construction of buildings, improvements and related facilities upon the Reserved Parcel, the Property, or the Villages Property, and for the conduct of all other reasonable development and construction activities. The Grantor shall, to the extent reasonably feasible, restore the disturbed area to its original condition subsequent to any construction work performed by the Grantor.

7.12. Grantor's Unilateral Right to Grant Easements.

Notwithstanding anything contained in the Declaration to the contrary, for a period of ten (10) years from the date of recordation of this Villages Declaration, in addition to, and not by way of limitation of, any of the rights reserved to the Grantor by this Villages Declaration, it is reserved to the Grantor, and its successors and assigns to whom such right has been specifically assigned in writing, the right to grant unilaterally, without the permission of the Villages Association or any Villages Owner, specific easements, rights-of-way, or licenses, whether temporary or permanent, to any Person or entity, whether public or private, over any part of the Villages Property, provided that such grant does not unreasonably interfere with the use and enjoyment of the Villages Property by any Owner. The determination as to whether such grant is unreasonable shall be made exclusively by the Board of Directors. The Grantor shall provide Notice to the Villages Association of such actions within a reasonable time following such actions.

7.13. Easements for Emergencies.

All police officers, fire fighters, ambulance personnel and all similar persons hereby are granted a perpetual easement to enter upon the Villages Property (or any portion thereof) in the performance of their appropriate lawful services.

7.14. Parking Rights.

The ownership of each Villages Lot shall entitle each Villages Owner or Owners thereof collectively to use the area located within its garage for automobile parking, whether such garage is designed for one or two automobiles. Each Villages Owner shall use its garage for the maximum number of automobiles for which such garage is designed.

Each Villages Owner shall be entitled to use its driveway for its own parking or its own visitor parking only if its garage already then contains the maximum number of automobiles for which such garage is designed. In no event of

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usage authorized hereunder, however, shall a driveway contain more than:

- (i) two automobiles, in the case of a driveway serving a two-car garage; and
- (ii) one automobile, in the case of a driveway serving a one-car garage.

7.15. Parking Within Nonresidential Lots.

The Villages Owners and Members shall have no greater right to park vehicles on any of the Nonresidential Lots than any other member of the public, and shall be subject to any and all laws, rules or regulations, of whatever sort, to which the general public is subject in using the parking on such Nonresidential Lots. Except along the private streets within the Villages Property, the Villages Owners have no greater rights than that of the general public to park on the streets within the Reserved Parcel and/or the Property.

7.16. Parking Rules.

Notwithstanding anything in the Declaration to the contrary, the Association shall not have the power to override the parking rules established from time to time by the Villages Association.

Parking within the Villages Property shall be subject to the following restrictions:

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

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

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

(d) Parking in such a manner that sidewalks are partially or totally blocked is not permitted.

(e) The Villages Board of Directors shall be entitled to establish reasonable Villages Rules and Regulations concerning parking on any portion of the Villages General Common Areas and Facilities, the private streets or roadways located

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within the Villages Property, or garages and/or driveways located on Villages Lots, including, without limitation, reasonable fines and provisions for involuntary removal of any vehicle violating the provisions of this Villages Declaration and/or such Villages Rules and Regulations.

7.17. Limitations.

(a) Any other provision of this Villages Declaration to the contrary notwithstanding, the Villages Association shall have no right to suspend the right of any Villages Owner to use the private streets or roadways located within the Villages Property for both vehicular and pedestrian ingress and egress to and from the Owner's Villages Lot and to and from any parking spaces appurtenant to such Villages Lot.

(b) Any other provision of this Villages Declaration to the contrary notwithstanding, the Villages Association shall have no right to suspend the right of any Villages Owner to use the Villages General Common Areas and Facilities for necessary, ordinary and reasonable pedestrian ingress and egress to and from its Villages Lot or to suspend any easement over the Villages General Common Areas and Facilities for stormwater drainage, electrical energy, water, sanitary sewer, natural gas, cable television service, telephone service or similar utilities and services to its Villages Lot.

ARTICLE 8 -- COVENANT FOR VILLAGES COMMON EXPENSES ASSESSMENTS

8.1. Amount of Assessment.

The Villages Board of Directors shall establish Villages Common Expenses Assessments in an amount at least sufficient to maintain and operate any Villages General Common Areas and Facilities and to perform the other responsibilities of the Association as contemplated by this Villages Declaration. The amount of monies for Villages Common Expenses Assessments and the manner of their expenditure shall be determined by the Villages Board of Directors.

The Villages Association shall collect from the Villages Owners the Assessments to be remitted to the Association pursuant to the Declaration as a separate item of collection and shall remit such collections to the Association.

8.2. Preparation of Budget.

At least seventy-five (75) days before the beginning of each fiscal year of the Villages Association, the Villages Board of Directors shall adopt a budget containing an estimate of the total Villages Common Expenses anticipated to be expended during the applicable fiscal year. Such budget shall constitute the basis for determining the Villages Common Expenses Assessment for each Villages Lot.

8.3. Contents of Budget - Copy to Villages Owners .

Such budget shall include such reasonable amounts as the Villages Board of Directors considers necessary and appropriate to provide working capital, a general operating reserve and reserves for contingencies and replacements. At least sixty-five (65) days before the beginning of each fiscal year, the Villages Board of Directors shall send each Villages Owner and the Association a copy of the budget in a reasonably itemized form which sets forth: (i) the amount of the Villages Common Expenses; (ii) the amount of the Villages Annual Assessment for each Villages Owner; (iii) any Villages Special Assessment proposed to be payable by each Villages Owner; (iv) the amount of the Annual Assessment for each Villages Owner; and (v) any Special Assessment proposed to be payable by each Villages Owner.

8.4. Effect of Failure to Prepare or Adopt Budget.

The failure or delay of the Villages Board of Directors to prepare or adopt a budget for any fiscal year within the time periods stated above shall not constitute a waiver or release in any manner of a Villages Lot's obligation to pay its allocable share of the Villages Common Expenses as herein provided, whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Villages Owner shall continue to pay each periodic installment of its Villages Assessments and Assessments at the rate established for the previous fiscal year until otherwise notified by the Villages Board of Directors. Any budget adopted late will be retroactive at the discretion of the Villages Board of Directors, for the applicable time period covered by the budget including the payment of installments of the Villages Assessments, if the budget is properly adopted.

8.5. Payment of Villages Assessments and Collection of Assessments by the Villages Association.

On or before the first day of each fiscal year of the Villages Association, and the first day of each succeeding payment period during such fiscal year, each Villages Owner shall pay, at such time and place and to such person or entity as the Villages Board of Directors may direct, the installments of the Villages Assessments and the Assessments due during such period.

The Villages Association shall not be liable for any Assessments not collected from any Villages Owners. The Board of Directors shall establish the number of payment periods and the due dates for each such period in each fiscal year; provided, however, that payments shall not be due less frequently than quarterly. All sums collected by the Villages Association with respect to Villages Assessments may be commingled into a single fund; however, the sums collected for the Association shall be kept in a separate fund until remitted. The Villages Association shall remit the funds collected for the Association as frequently as the Board of Directors shall direct.

Notwithstanding anything to the contrary, the Board of Directors may require that all Assessments be paid by the Villages Owners directly to the Association. In such event, the Board of Directors shall notify the Villages Owners directly as to where such payments shall be sent and provide all other information necessary for the Villages Owners to make prompt payments. Further, in such event, the Villages Association shall no longer be authorized or empowered to collect such payments, unless such authority is re-instated by the Board of Directors pursuant to the same Notice procedures as provided in this subparagraph.

8.6. Obligation to Pay Villages Assessments.

Every Villages Owner shall be deemed to covenant and agree to pay to the Grantor, the Association, or the Villages Association, as applicable, the Villages Assessments and/or the Assessments as provided in this Villages Declaration and the Declaration. The obligation of all Villages Owners, other than Grantor, to pay such sums commences upon their acceptance of a deed or other conveyance for a Villages Lot whether or not it shall be so expressed in any such deed or other conveyance. Such obligation shall be paid monthly in installments the amount of which shall be equal to one-twelfth (1/12) of the Villages Member's proportionate share of the sum or sums assessed.

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Grantor shall not be required to pay Assessments or Villages Assessments unless and until it completes one or more dwelling units within any Villages Lot which it owns. The foregoing notwithstanding, the Grantor shall be proportionately responsible for the payment of all of the Villages Association's operating deficits (excluding reserves), as of the end of each fiscal year, to the extent that the same are not funded by assessments and working capital contributions paid to the Villages Association by the Villages Owners. The Grantor shall not, however, be obligated to pay an amount in excess of that equal to one hundred percent (100%) of the assessments, which would be due for its Villages Lots, were they owned by a Class A Member.

No Villages Owner shall be exempt from the obligation to pay any Assessment or Villages Assessment by the waiver of the use or enjoyment of any of the General or Limited Common Areas and Facilities or any of the Villages General Common Areas and Facilities by abandonment of the Villages Lot against which any Assessment or Villages Assessment is made. No Villages Owner shall be liable for the payment of any Assessments or Villages Assessments imposed subsequent to the perfection of a sale or other divestiture of title, by operation of law or otherwise, of such Villages Lot.

8.7. Liability for Villages Common Expenses Assessments .

Each Villages Owner shall pay the Villages Common Expenses Assessments assessed by the Grantor or the Villages Association. For the first fiscal year of the Villages Association, which year shall be determined by the Grantor, unless the Grantor or Villages Association establishes a lower amount, each Villages Owner's annual Villages Common Expenses Assessment shall be Seven Hundred Fifty-six and No/100 Dollars (\$756.00). The Villages Common Expenses Assessments shall be levied at a uniform rate for each Villages Lot to which Class A Membership is appurtenant.

8.8. Liability for and Maximum Villages Common Expenses Assessments .

Each Villages Owner shall pay the Villages Common Expenses Assessments assessed by the Grantor or the Villages Association. The initial maximum Villages Common Expenses Assessment for each Villages Lot to which Class A Membership is appurtenant shall not exceed the sum of Seven Hundred Fifty-six and No/100 Dollars (\$756.00) per annum.

8.9. Increase in Maximum Villages Common Expenses Assessments.

(a) From and after January 1st of the year immediately following the conveyance of the first Villages Lot which has been improved with a Structure to a Villages Owner, the Villages Common Expenses Assessments for all Class A Memberships may be increased for any year by the Villages Board of Directors, without a vote of the Class A Membership, by an amount equal to no more than ten percent (10%) of the then current assessment plus any increases in the amount of any ad valorem real estate taxes, casualty and other insurance premiums payable by the Villages Association, and plus any increases in the cost of trash removal payable by the Villages Association.

(b) From and after January 1st of the year immediately following the conveyance of the first Villages Lot to a Villages Owner, the maximum Villages Common Expenses Assessments for all Class A Memberships for the then current year may be increased above the ten percentage (10%) increase as described above in Section 8.9.(a) for any year by a vote of approval of at least two-thirds (2/3) of the votes of each class of the then Villages Members who are voting in person or by proxy at a meeting duly called for such purpose.

(c) The Villages Board of Directors may from time to time fix the Villages Annual Assessment at an amount not to exceed the maximum.

8.10. Notice and Quorum for Any Action Authorized Under Section 8.9.

Written notice of any meeting called for the purpose of taking any action authorized under Sections ? and 8.9 shall be sent to all Villages Members not less than ten (10) days, nor more than thirty (30) days, in advance of the meeting. At the first such meeting called, the presence of Villages Members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of the then Villages Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

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8.11. Liability for Villages Special Assessments .

The Grantor or the Villages Association shall have the right to impose Villages Special Assessments for any purpose under Section 9.1 provided that any such Villages Special Assessment is approved by Villages Owners entitled to cast at least two-thirds (2/3) of the votes of each class of the then Villages Members of the Villages Association who are voting in person or by proxy at a meeting duly called for such purpose.

Written notice of any meeting called for the purpose of taking any action authorized under Section 8.11 shall be sent to all Villages Members not less than ten (10) days, nor more than thirty (30) days, in advance of the meeting. At the first such meeting called, the presence of Villages Members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of the then Villages Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

8.12. Villages Working Capital Fund.

Grantor may establish a Villages Working Capital Fund for the initial operation of the Villages Association. Such Villages Working Capital Fund may be funded by a one-time assessment, which shall be no more than three times the then current monthly installment of the Villages Common Expenses Assessment for such current fiscal year. The Villages Working Capital Fund Assessment shall be payable, if established, by each of the Grantor's grantees upon the settlement of each Villages Lot.

8.13. Villages Restoration Assessment.

The Villages Association may levy a Villages Restoration Assessment upon any Villages Lot if the Villages Owner fails to maintain such Villages Lot as provided in Section 9.1 hereof. Each Villages Restoration Assessment shall be limited to the amount reasonably necessary to meet the actual cost of restoration (whether previously expended by the Villages Association or planned for expenditure) and the cost of collection, including interest at the rate set by the Villages Board of Directors from time to time, reasonable attorneys' fees

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and expenses of collection and/or litigation, and such Villages Restoration Assessment shall become a binding personal obligation of the Villages Owner of the Villages Lot, and shall run with and bind the Villages Lot, and as such shall be regarded as any other Villages Assessment with respect to lien rights of the Villages Association and remedies provided for non-payment in this Villages Declaration and under the laws of the State of Maryland. No Villages Owner shall be liable for the payment of any Restoration Assessment imposed subsequent to the perfection of a sale or other divesture of title, by operation of law or otherwise, of such Villages Lot.

8.14. Maximum Amount Payable By Class A Owner for Assessments Imposed by the Association.

Notwithstanding anything in the Declaration to the contrary, in any fiscal year, the Association shall have the right to impose on each Class A Owner for each Villages Lot, Assessments and any other impositions of whatever sort as provided in the Declaration, as long as the cumulative total amount of all such impositions does not exceed the greater of twenty percent (20%) of the then current Villages Common Expenses Assessment for such fiscal year or One Hundred Twenty and No/100 Dollars (\$120.00).

8.15. Notice of Assessments; Certificate of Payment.

Notice of the Association's Annual Assessment and the Villages Annual Assessment for the following year shall be sent by the Villages Association to the Villages Owner of every Villages Lot by no later than December 1. The Association's Annual Assessment and the Villages Annual Assessment shall be due and payable on January 1 of the year for which the Association's Annual Assessment and the Villages Annual Assessment is levied. The Villages Association, within thirty (30) days upon request therefor, and for a reasonable charge, shall furnish to any Villages Owner a certification signed by an officer of the Villages Association setting forth whether the Assessments and the Villages Assessment, if applicable, levied against a specified Villages Lot have been paid. A properly executed certification of the Villages Association as to the status of the Association Assessments and the Villages Assessments is binding upon the Association and the Villages Association as of the date of its issuance.

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8.16. Exempt Villages Property.

No portion of the Villages General Common Areas and Facilities shall be subject to assessment of any kind by the Villages Association.

8.17. Taxes and Assessments.

It is the intent of this Villages Declaration that insomuch as the interests of each Villages Owner to use and enjoy the Villages General Common Areas and Facilities is an interest in real property appurtenant to each Villages Lot, the value of the interest of each Villages Owner in such Villages General Common Areas and Facilities shall be included in the property tax assessment for each such Villages Lot, and, as a result, any property tax assessment directly against such Villages General Common Areas and Facilities should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various Villages Lots.

ARTICLE 9 -- PURPOSE OF VILLAGES COMMON EXPENSES; RESPONSIBILITY OF VILLAGES OWNERS

9.1. Use of Villages Assessments.

The Villages Common Expenses Assessments levied by the Grantor or the Villages Association shall be used for providing services to, and for the benefit of the Villages Owners and for promoting the health, safety, and welfare of the Villages Owners, including, but without limitation:

(a) the cost of all operating expenses of the Villages General Common Areas and Facilities and the cost of the services furnished to or in connection with the Villages General Common Areas and Facilities, including such services for which charges are collected by the Association and/or the Villages Association; and

(b) the cost of enforcing the terms and conditions of the Declaration and this Villages Declaration and any and all related rules and regulations duly adopted and promulgated by the Association and/or the Villages Association; and

(c) the cost of participating in public hearings and other activities similar to those that would be pursued by a group of concerned citizens concerning issues that affect the health safety and welfare of the Villages Members; and

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(d) the cost of implementing any and all responsibilities and authority created under the terms and conditions of this Villages Declaration; and

(e) the cost of necessary management and administration of the Villages General Common Areas and Facilities, including fees paid to any management agent; and

(f) the amount of all taxes and assessments levied against the Villages General Common Areas and Facilities, if any; and

(g) the cost of fire and extended liability insurance on the Villages General Common Areas and Facilities and the cost of such other insurance as the Villages Association may effect with respect to the Villages General Common Areas and Facilities; and

(h) the cost of utilities and other services which may be provided by the Villages Association for the Villages General Common Areas and Facilities; and

(i) the cost of maintaining, replacing, repairing and landscaping the Villages General Common Areas and Facilities, including, without limitation, maintenance of any storm water detention basins or the like located upon Villages General Common Areas and Facilities, the cost of the maintenance of all pathways upon the Villages Property, and the cost of complying with the terms and conditions of any forest conservation easement for those portions of such easements lying within the Villages General Common Areas and Facilities, together with such equipment as the Villages Board of Directors shall determine to be necessary and proper in connection therewith; and

(j) the cost of funding those reserves established by the Villages Association, including, when appropriate, a general operating reserve and a reserve for replacements.

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

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This Villages Declaration does not contemplate that the Association and/or the Villages Association shall have any responsibility for the maintenance or repair of the dwellings or their appurtenances located on any Villages Lot. Unless otherwise expressly set forth in this Villages Declaration or the Declaration, the responsibility and duties of the Villages Association for maintenance and repairs shall be limited to the Villages General Common Areas and Facilities and those of the Association shall be limited to the General and Limited Common Areas and Facilities.

9.2. Reserves for Replacements.

The Villages Association shall establish and maintain a reserve fund for replacement of the Villages General Common Areas and Facilities by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Villages Board of Directors. Such fund shall be conclusively deemed to be part of the Villages Common Expenses Assessment 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 Villages 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 Villages General Common Areas and Facilities may be expended only for the purpose of effecting the replacement of the Villages General Common Areas and Facilities, major repairs, equipment replacement, and for start-up expenses and operating contingencies of a non-recurring nature relating to the Villages General Common Areas and Facilities and for such exterior maintenance of the Villages Lots as may be expressly provided for herein. The Villages Association may establish such other reserves for such other purposes as the Villages Board of Directors may from time to time consider necessary or appropriate. In no event shall reserves be collected for such facilities until the fiscal year in which such facilities, or a clearly identifiable portion thereof, are substantially complete. The proportional interest of any Villages Member in any such reserves shall be considered an appurtenance of his Villages Lot and shall not be separately withdrawn, assigned, transferred or otherwise separated from the Villages Lot to which it appertains and shall be deemed to be transferred with such Villages Lot.

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9.3. Villages Lot Maintenance.

Each Villages Owner shall promptly furnish, perform, and be responsible for, at his own expense, all of the maintenance, repairs, and replacements within his own Lot, provided, however: (i) such maintenance, repairs, and replacements as may be required for the benefit of other Villages Owners or for the functioning of the Villages General Common Areas and Facilities may be furnished by the Villages Association, as determined by the Villages Board of Directors in their sole and absolute discretion, and such expenses shall constitute Villages Common Expenses, and (ii) the Villages Association, its agents, and employees may effect emergency or other necessary repairs to the Villages Owner's Lot which the Villages Owner has failed to perform, but any and all expenses incurred pursuant to part (ii) above shall be the responsibility of the benefitted Villages Owner(s) and all such expenses incurred pursuant to this part (ii) shall not constitute Villages Common Expenses but shall constitute a Villages Restoration Assessment.

9.4. Negligence by Villages Owners.

If, due to the negligent act or omission of or misuse by a Villages Owner, or a guest, lessee, invitee, or visitor of a Villages Owner (whether authorized or unauthorized by the Villages Owner), damage shall be caused to the Villages General Common Areas and Facilities or to a Villages Lot(s) owned by others, or maintenance, repairs, or replacements shall be required that would otherwise be a Villages Common Expenses, then the Villages Owner to whom the guest, lessee, invitee, or visitor (whether authorized or unauthorized by the Villages Owner) is responsible shall pay for such damage and be liable for any damages, liability, cost, and expenses including attorney's fees, caused by or arising out of such circumstances. All Villages Lot maintenance shall be performed by each Villages Owner in accordance with sound property management standards.

ARTICLE 10 -- VILLAGES ASSOCIATION MEMBERSHIP AND VOTING

10.1. Membership. The Villages Association shall have two (2) classes of voting Membership which shall be known as "Class A" and "Class B":

(a) Class A: Class A Members shall be all Villages Owners (with the exception of the Grantor with respect to any Villages Lot for which the Grantor holds a Class B Membership).

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Class A Members shall be entitled to one (1) membership vote for each Villages Lot owned.

(b) Class B: The Class B Member(s) shall be the Grantor. The Class B Member(s) shall be entitled to three (3) membership votes for each Villages Lot owned. The Class B Membership shall cease and be converted to a Class A Membership upon the happening of any of the following events, whichever occurs earliest:

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

(ii) ten (10) years from the date of recordation of this Villages; provided, however, that if the Grantor is delayed in the improvement and development of the Villages Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Grantor's control, the ten (10) year period shall be extended by a period of time equal to the length of the delays or two (2) years, whichever is less.

Upon the lapse or surrender of all of the Class B Memberships, the Grantor shall thereafter remain a Class A Member of the Villages Association as to each and every Villages Lot in which the Grantor then holds the interest otherwise required for such Class A Membership.

10.2. Membership and Meetings.

Villages Members of the Villages Association shall at all times be, and are limited to, Persons who own the Villages Lots. For purposes of casting Membership Votes, if more than one Person owns a Villages Lot, all of the Persons who own such Villages Lot shall collectively constitute one Villages Owner and one Villages Member. The Grantor shall also be a Villages Member with respect to all Villages Lots owned by it. All such Persons shall be Villages Members, however, the vote for such Villages Lot shall be exercised as they among themselves determine as a group and in no event shall more than one (1) vote be cast by a Class A Member or a group of Class A Members with respect to any one Villages Lot.

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In the case of an Owner of a Villages Lot which is a corporation, condominium (or other) association or partnership (general or limited), the vote(s) of such Villages Member may be cast by an officer, general partner or designated agent of such corporation, association or partnership duly designated by such entity in a form acceptable to the Villages Board of Directors.

Each Villages Member is entitled to attend all meetings of the Villages Association.

Membership in the Villages Association is mandatory and automatic with ownership of a Villages Lot, subject to all provisions of this Villages Declaration, the Villages Articles of Incorporation, the Villages Bylaws and the Villages Rules and Regulations that may now or hereafter be established for or by the Villages Association.

10.3. Voting in General and Election and Removal of
Members of the Villages Board of Directors.

In addition to the matters specifically provided for in this Villages Declaration, Villages Members shall have the right to vote on Villages Association matters according to the provisions of the Villages Bylaws. The Villages Bylaws shall provide for the procedures, terms and conditions associated with the election or removal of the members of the Villages Board of Directors by the Villages Members, subject to the terms and conditions of this Villages Declaration.

All members of the initial Villages Board of Directors appointed by the Grantor shall serve until replaced as provided in this Villages Declaration. At the first annual meeting of the Villages Association after twenty-five percent (25%) of the Class A Membership votes in the Villages Association are held by Villages Owners other than the Grantor, one (1) member of the Villages Board of Directors shall be elected by the non-Grantor Villages Owners to replace a Grantor appointee. At the first annual meeting of the Villages Association after thirty-five percent (35%) of the Class A Membership votes in the Villages Association are held by Villages Owners other than the Grantor, one (1) additional member of the Villages Board of Directors shall be elected by the non-Grantor Villages Owners to replace a Grantor appointee.

At the first annual meeting of the Villages Association after sixty percent (60%) of the Class A Membership votes in the Villages Association are held by Villages Owners other than the Grantor, the non-Grantor Villages Owners shall be entitled to

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elect a majority of the members of the Villages Board of Directors, and all members of the Villages Board of Directors shall be elected by the total number of the then votes of the Members received and the non-Grantor Villages Owners shall no longer have any exclusive right to elect a specific number of members of the Villages Board of Directors.

Except as expressly set forth in this Villages Declaration, no terms or conditions shall be construed as limiting the Grantor's right to vote as a Villages Member.

ARTICLE 11 -- USE OF VILLAGES PROPERTY; RESTRICTIONS

11.1. Use Restrictions.

The following use restrictions apply to all activities on the Villages Property except for the activities during the construction or development of the Villages Property, or except with the prior written approval of the Villages Board of Directors or the Villages Design Review Committee, or as may be necessary in connection with reasonable and necessary repairs or maintenance to any Structure or upon the Villages General Common Areas and Facilities.

No portion of the Villages Property, including without limitation, any Villages Lot or Structure shall be used or permitted to be used, temporarily or permanently, for any uses in violation of the terms and conditions of this Villages Declaration or in violation of Law including, without limitation the Comprehensive Planned Development. Notwithstanding the above, the failure of the Villages Design Review Committee or the Villages Association to enforce the provisions of this Article 11 shall not exculpate the Villages Owner from being liable for the violation of Law, nor shall the Villages Design Review Committee or the Villages Association, or any other committee or entity delegated the authority by the Villages Association to act on its behalf, be liable to any person for its failure to enforce this Villages Declaration.

All uses or modifications of any Villages Lot, including without limitation, any Structure located thereon, shall be approved by the Villages Design Review Committee in the manner set forth in Article 15.

No temporary Structure, including those used during construction, shall be installed, maintained, or modified, on any Villages Lot without the specific written approval of the Villages Design Review Committee. All applications for approval

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of any temporary Structure shall include a specific date before which such temporary Structure will be dismantled and removed from the Villages Lot in question.

11.2. Nuisances and Noxious or Offensive Activities.

No Villages Owner, lessee, licensee or other occupant of the Villages Property shall create a nuisance to any other Villages Owner, lessee, licensee or other occupant of the Villages Property. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Villages Lot and no odors shall be permitted to arise therefrom so as to render any portion of any Villages Lot unsanitary, unsightly, offensive or detrimental to any portion of the Villages Property. No use or operation shall be conducted on the Villages Property which is noxious, offensive, objectionable, unsightly or detrimental to persons within the Villages Property in any manner and due to any cause, such as, but not limited to vibration, sound, electro-mechanical disturbances, electro-magnetic disturbances, radiation, air or water pollution, dust, emission of odorous toxic and non-toxic matters. The Villages Design Review Committee shall have the right to determine whether any such use or operations are objectionable and shall have the right, but not the obligation to seek the abatement of any objectionable activities.

11.3. Building Height Limitation.

All buildings shall be limited to the maximum height permitted by Law, except that the Villages Design Review Committee shall have the right to promulgate more stringent requirements with respect to the height of some or all of the buildings within the Villages Property other than buildings completed before the promulgation of such requirements ("Nonconforming Building"). If any such Nonconforming Building is substantially destroyed, the Nonconforming Building, nonetheless, shall be entitled to be reconstructed to its original height and does not have to comply with any more stringent height requirements promulgated by the Villages Design Review Committee after the Nonconforming Building was originally constructed. Provided, however, this Section does not grant the Villages Owner any right not otherwise permitted by Law.

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11.4. Underground Utilities, Pipes, Etc.

Other than those utilities installed before the recordation of this Villages Declaration, including, without limitation, PEPCO transmission lines and existing poles, no pipe, conduit, cable, line or the like for water, gas, sewage, drainage, steam, electricity, or any other energy or service shall be installed or maintained upon any Villages Lot (outside of any building) above or below the surface of the ground, unless the same are specifically approved in writing by the Villages Design Review Committee. No auxiliary machinery, equipment or facilities shall be permitted on any Villages Lot unless specifically approved by the Villages Design Review Committee.

11.5. Signs.

The location, size, design and construction of all signs, whether permanent or temporary, must be in keeping with the character of the Villages Property and all signs must be approved in writing by the Villages Design Review Committee.

Except for entrance signs, directional signs, signs for traffic control or safety, community "theme areas" and such promotional sign or signs as may be maintained by the Grantor or the Association, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any Villages Lot or dwelling, provided, however, that one sign not exceeding two (2) square feet in area and not illuminated may be attached to a dwelling where a Professional Office is maintained, and provided, further, that one temporary real estate sign not exceeding six (6) square feet in area, may be erected upon any Lot or attached to any dwelling placed upon the market for sale or rent. Any such temporary sign shall be removed promptly following the sale or rental of such dwelling. All signs shall be maintained in good repair.

11.6. Maintenance, Refuse or Trash.

The Owner of every Lot shall keep its premises up to the curb line of the adjacent public roads, buildings, parking lots and roadways, and all improvements in a safe, clean, neat and sanitary condition and shall comply in all respects with all governmental zoning, health, fire and police requirements. Each Villages Owner shall remove at its expense any rubbish of any character which may accumulate on its Lot. During construction of any improvements on any Lot, the Owner shall keep any construction site free of unsightly accumulations of rubbish and scrap materials, and construction materials, trailers, shacks and

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the like employed in connection with such construction shall be kept in a neat and orderly manner

11.7. Animals.

No livestock, poultry or other animals of any kind, regardless of number, shall be kept on any Villages Lot, except as required by persons as approved by the Villages Design Review Committee or as required by Law. The provisions of this Section 11.7 shall not prohibit normal household pets within Villages Lots, provided they do not constitute a nuisance to other Villages Members, including without limitation, provided they are not kept, bred or maintained for commercial purposes. In no event shall any stable, hutch, barn, coop or other housing or shelter for animal or for the storage of materials be placed or maintained upon any Villages Lot, except as approved by the Villages Design Review Committee. Pets shall be attended at all times and shall be registered, licensed and inoculated as may from time to time be required by law. Pets shall not be permitted upon the Villages General Common Areas and Facilities unless accompanied by a responsible person and unless they are carried or leashed. Each Villages Member who walks a pet on the Villages General Common Areas and Facilities is required to clean up any and all solid waste deposited by their pet within that area immediately.

The Villages Board of Directors or, upon the delegation by the Villages Board of Directors, the Villages Design Review Committee, shall have the authority, after hearing, to determine whether a particular pet is a nuisance or a source of annoyance to other Villages Members, and such determination shall be conclusive. The Villages 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.

11.8. Dirt, Dust and Waste Discharge.

No use of the Villages Property will be permitted which emits dust, sweepings, dirt or cinders into the atmosphere, or discharges liquid, solid wastes or other harmful matter into any stream, river or other body of water which, in the opinion of the Villages Design Review Committee, may adversely affect the health, safety or comfort of persons within the Villages Property. No waste or any substance or materials of any kind shall be discharged into any public sewer serving the Villages Property, in violation of any regulations of any public body having jurisdiction.

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11.9. Noise.

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

11.10. Vehicles.

Except for parking within garages or other areas screened from public view or as approved in writing by the Villages Board of Directors or the Villages Design Review Committee, no junk vehicle, commercial vehicle or vehicle displaying commercial information (including vans used for commercial purposes), truck (as defined by the Maryland Department of Motor Vehicles and/or by common usage and practice except for light pick-up trucks of three-quarter (3/4) ton capacity or less used for non-commercial purposes), unlicensed or inoperable motor vehicle (which shall include, without limitation, any vehicle which would not pass applicable state inspection criteria), trailer, camp truck, recreational vehicle, horse trailer, boat or other similar vehicles, machinery or equipment of any kind or character, except for such equipment or machinery as may be reasonable, customary and usual in connection with the maintenance and repair of any Villages Lot, shall be kept upon the Villages Property or upon the private streets within the Villages Property, nor (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. Jeeps, vans, multi-purpose vehicles and other vehicles designed primarily as passenger vehicles and which are not used for commercial purposes are not prohibited.

The Villages Association may, in the discretion of the Villages Design Review Committee, provide and maintain a suitable area designated for the parking of such vehicles or the like, and may adopt and promulgate such additional rules and regulations in this regard as it deems necessary or desirable.

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

11.12. Subdivision and Leasing of Structure.

No Villages Lot shall be divided or subdivided and no portion of any Villages Lot (other than the entire Villages Lot) shall be transferred or conveyed for any purpose. No portion of any dwelling (other than the entire dwelling) shall be leased. The Villages Association shall be provided the names, addresses and telephone number of the Person responsible for maintaining the Villages Lot and who is authorized to accept service of process. Any leasehold permitted by this Declaration shall comply with the applicable laws of the City, including obtaining a residential leasing license, and any other applicable Law. The provisions of this Subsection shall not apply to the Grantor and, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, the Grantor or any other Person for any purpose.

11.13. Garden Hoses.

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

11.14. No Boring.

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

11.15. Tree Removal.

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 the prior written approval of the Villages Association acting through the Villages Design Review Committee or duly appointed subcommittee. The Villages Design Review Committee may from time to time adopt and promulgate such additional rules and regulations regarding the preservation of

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trees and other natural resources and wildlife as it may consider appropriate, provided that they are consistent with the Comprehensive Planned Development. Each Villages Owner shall also be responsible for complying with any applicable requirements imposed by the City for the removal of trees, including, without limitation, obtaining the approval of any forester or other entity of the City responsible for the approval of the removal of trees.

11.16. Interference by Structure with Easement.

No Structure, planting or other material shall be placed or permitted to remain upon any Villages 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.

11.17. Landscaping Blocking Site Lines.

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

11.18. Antennae.

No outside television aerial or radio antenna, or other aerial or antennae for either reception or transmission, shall be maintained upon the Villages Property. No satellite dish shall be maintained upon the Villages Property without the prior written approval of the Villages Design Review Committee, which may approve or disapprove such requests consistent with the Architectural Control provisions of Article 15. The Villages Design Review Committee shall not have the authority to permit satellite dishes on the exteriors of any Structure that exceed two (2) feet in diameter, and in no circumstances shall they be permitted situated on the surface of any front yard of any Villages Lot. The Villages Design Review Committee shall be authorized to subject its approval to the satisfaction of reasonable conditions. Such aeriels, antennae, or satellite dishes may be erected and maintained within the dwellings located upon the Villages Property provided that all approvals have been obtained as required by applicable Law.

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11.19. No Exclusive Use and No Interference with Villages Association Employees.

No Villages Member shall make any private or exclusive or proprietary use of any of the Villages General Common Areas and Facilities except with the specific approval of the Villages Design Review Committee and, then, only on a temporary basis and no Villages Member shall engage or direct any employee of the Villages Association on any private business of the Villages Member during the hours such employee is employed by the Villages Association, nor shall any Villages Member direct, supervise or in any manner attempt to assert control over or interfere with any employee of the Villages Association.

11.20. Roof Repair and Other Exterior Repair and Maintenance.

No Villages Member shall utilize, or cause to be utilized, any material for the repair, replacement or maintenance (collectively "maintenance") of a roof, or any portion thereof, of a dwelling, garage or other Structure that is not in substantial conformity with roofing materials utilized by the Grantor as of the date of commencement of said maintenance unless otherwise approved, in writing, by the Villages Design Review Committee.

11.21. Wading Pools.

Except for wading pools not exceeding nine (9) feet in diameter, no wading or swimming pools, whether in-ground or aboveground, shall be permitted within any Lot without the prior written approval of the Villages Design Review Committee. Any such permitted pools shall be allowed only within rear yards.

11.22. Residential Use.

Except as otherwise provided in this Section 11.22, all dwellings shall be used exclusively for private residential purposes. A Professional Office or a Home Occupation may be maintained in a dwelling, provided that such maintenance and use is limited to the person actually residing in the dwelling and, provided, further, that such maintenance and use is in strict conformity with the provisions of any applicable Law, including, without limitation, any applicable zoning law, ordinance or regulation of the City.

The use of any dwelling as a "Family Day Care Home," as defined under the Md. Real Prop. Code Ann.

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Section 11B-111.1 (1988 Repl. Vol.), as amended, is permitted, provided that it meets all of the necessary approvals under the Law, including, without limitation, the ordinances of the City, and provided that the Villages Board of Directors, or its designee, is provided at least annually with evidence to its satisfaction that any such dwelling continues to be in compliance with all of the necessary approvals under the Law, including, without limitation, the ordinances of the City. Provided, however, the use of any such dwelling as a Family Day Care Home shall not include more than four children under the age of thirteen (13) years, including the children of the Villages Owner. Notwithstanding the above, the Villages Board of Directors may order that any such Family Day Care Home cease its operations or otherwise modify its operations, including reducing the number of children, on the grounds that the activity is creating a nuisance. The Villages Board of Directors shall include in any such order a reasonable time in which to comply, as determined by the Villages Board of Directors. In situations where, in the judgment of the Villages Board of Directors, there does not appear the immediate threat of injury to persons or property, the Villages Board of Directors shall provide Notice to the Villages Members of and the opportunity to speak at a hearing convened to consider what action should be taken with regard to the Family Day Care Home under consideration.

Nothing contained in this Article, or elsewhere in this Villages Declaration, shall be construed to prohibit the Grantor from the use of any Villages Lot or dwelling for promotional or display purposes, or as a "model home", a sales office or the like, or to prohibit the placement and use of a sales or construction trailer thereon, or to construct dwellings on Villages Lots even though a contract of sale has not been executed for the dwelling to be constructed on such Villages Lot.

No garage space of any Villages Lot shall at any time be used for human habitation, temporarily, or permanently, nor shall any Structure of a temporary character be used for human habitation. No garage may be altered, modified or changed in any manner which would inhibit or in any way limit its function as a parking area for vehicles. Any Villages Lot owned by the Grantor upon which is situated a dwelling unit in which the garage has been modified to serve as living area shall be reconverted to be used as a parking area for vehicles before it is conveyed to a Class A Member.

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11.23. Leasing.

Any lease agreement of or concerning a Villages Lot shall provide that the terms of the lease are subject in all respects to the provisions of the Declaration, the Articles of Incorporation, the Bylaws, this Villages Declaration, the Villages Articles of Incorporation and the Villages ByLaws, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All such leases shall be in writing and a copy thereof shall be filed with the Villages Board of Directors.

11.24. Fences.

Any fence constructed upon the Villages Property shall be substantially similar in design, dimension and material to the fences installed by Grantor, if any, as a part of original construction, and shall be installed in compliance with applicable Law. Fences shall not extend beyond the front building line of the dwelling on the Villages Lot upon which any such fence is erected or the front building line of the dwellings on all immediately adjacent Villages Lots. Chain link and other wire fencing that is visible at ground level from the exterior of any side of a Villages Lot is specifically prohibited, with the exception of wire mesh inside split-rail fences. Notwithstanding the above provisions, the erection of all fences shall be subject to the prior written approval of the Villages Design Review Committee, and simply meeting the conditions set forth in this Section 11.24 does not require the Villages Design Review Committee to approve a fence.

Each Villages Owner shall be responsible for providing reasonable access to utility companies for the purpose of reading meters located on a Villages Lot.

11.25. Villages Rules and Regulations.

The Villages Board of Directors shall be authorized to adopt and promulgate, from time to time as deemed necessary, Villages Rules and Regulations concerning the use of the Villages General Common Areas and Facilities. The Villages Board of Directors are prohibited from adopting and promulgating any rules and regulations that are inconsistent with the provisions of this Villages Declaration. The Villages Rules and Regulations shall be maintained by the Villages Association. Any changes to the Villages Rules and Regulations shall be in writing, maintained by the Villages Association, and promulgated among the Villages

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Membership, from time to time, as deemed necessary by the Villages Board of Directors.

11.26. Reconstruction After Fire or Other Casualty Loss.

If any dwelling is partially or completely destroyed by fire or other casualty, and in the absence of a resolution to the contrary by the Villages Board of Directors, the Villages Owner of such dwelling shall promptly restore or reconstruct such dwelling, at his own expense, in accordance with the original plans and specifications or with such amended plans and specifications as may be approved in writing by the Villages Design Review Committee at the request of such Villages Owner. The provisions of this Section 11.26 shall not apply when prohibited by the first trust holder, the VA, FNMA, FHLMC or FHA, or when in conflict with any Law, ordinance, municipal regulation or the like.

11.27. 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 Villages Lot, or in the event of any other conduct in violation of any of the provisions or requirements of this Article, then the same shall be considered to have been undertaken in violation of this Article and without the approval of the Villages Board of Directors or the Villages Design Review Committee required herein, and, upon Notice from the Villages Board of Directors or the Villages Design Review Committee, such violation shall be promptly removed or abated. In the event the same is not removed, or the violation is not otherwise terminated or abated, within fifteen (15) days (or such shorter period as may be required in any such notice) after Notice of such violation is sent to the Villages Owner of the Villages Lot upon which such violation exists, or to the Villages Member responsible for such violation if the same shall be committed, or attempted on premises other than the Villages Lot owned by such Villages Member, then the Villages Association shall have the right, through its agents and employees (but only after a resolution of the Villages Board of Directors or the Villages Design Review Committee) either to take such action as is provided in this Villages Declaration and/or to enter upon such Villages Lot and to take such steps as may be necessary to remove or otherwise terminate or abate such violation and the costs thereof and reasonable attorneys' fees incurred thereby may be assessed against the Villages Lot upon which such violation occurred and when so assessed, a statement for the amounts incurred shall be rendered to the Villages Owner

of the Villages Lot at which time such charge shall be a Villages Restoration Assessment and shall become due and payable and a continuing lien upon such Villages Lot, and a binding personal obligation of the Villages Owner of such Villages Lot, in all respects (and subject to the same limitations) as provided elsewhere in this Villages Declaration.

ARTICLE 12 -- PARTY WALLS AND EASEMENTS

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

12.1. General Rules of Law to Apply.

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

12.2. Sharing of Repair and Maintenance and Destruction by Fire or Other Casualty.

If any such party wall is damaged or destroyed by fire or other casualty, or by some cause other than the act of one of the adjoining Villages Owners, its agents, or family (including ordinary wear and tear and deterioration from lapse of time), then, and in such event, both such adjoining Villages Owners shall proceed forthwith to rebuild or repair the same to as good a condition as it was in formerly, in proportion to their respective use of the party wall.

12.3. Repairs of Damage Caused by One Villages Owner.

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

12.4. Other Changes.

In addition to meeting the other requirements of this Villages Declaration and of any building code or similar regulations or ordinances, any Villages Owner proposing to modify, make addition(s) to or rebuild its residence in any manner which requires the extension or other alteration of any party wall, shall first obtain the written consent of the adjoining Villages Owner, which consent shall not be unreasonably withheld or delayed. By way of example, and not by way of limitation, the Villages Owner must also obtain the prior approval of the Villages Design Review Committee.

12.5. Right to Contribution Runs with Land.

The right of any Villages Owner to contribution from any other Villages Owner under this Article 12 shall be appurtenant to the land and shall pass to such Villages Owner's successors in title.

12.6. Dispute.

If there is a dispute between Villages Owners with respect to the repair or rebuilding of a party wall, or with respect to the sharing of the cost, then, upon written request of one of such Villages Owners addressed to the Villages Association, the matter shall be submitted to the Villages Board of Directors, who shall decide the dispute, and whose decision shall be final and conclusive upon the parties.

12.7. Easement for Installation of Post Lamps.

There shall be and is hereby reserved to the Grantor a perpetual and nonexclusive easement to install a post lamp on any Villages Lot at any time, such easement to include, but not limited to, the right to install, relocate and maintain all necessary underground wire and/or leads into any dwelling unit situate upon the Villages Property.

12.8. Easement for Landscaping and Related Purposes.

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

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12.9. Encroachments.

If any portion of a party wall shall encroach upon an adjoining Villages Lot, by reason of settlement or shifting of any building, or otherwise, a valid easement for the encroachment and for the maintenance of the same as long as the building stands, shall exist.

12.10. Easements.

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

ARTICLE 13 -- JOINT DRIVEWAYS

13.1. Joint Driveways.

Any driveway which is built or installed as part of the original construction upon the Property and which is situated on the dividing line between Villages Lots or partly on one Villages Lot and partly on another Villages Lot or other lots, shall constitute a joint driveway for the equal and common use and benefit of the Villages Owners of any Villages Lots or other portions of the Villages Property which it is reasonably designed to serve, and to the extent not inconsistent with the provisions of this Article 13, the general rules of law regarding joint driveways and of liability for property damage due to negligent or willful acts or omissions regarding the same shall apply.

13.2. Repair and Maintenance.

The cost of reasonable repair and maintenance of any joint driveways shall be shared by the Villages Owners who use it, in equal shares.

13.3. Damage and Destruction.

If any joint driveway is destroyed or damaged, any Villages Owner who has the use of the joint driveway may restore it, and if the other Villages Owners make use of the driveway, they shall contribute to the cost of restoration in equal

proportions; without prejudice, however, to the right of any such Villages Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

13.4. Easements.

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

13.5. Right to Contribution Runs with Land.

The right of any Villages Owner to contribution from any other Villages Owner under this Article 13 shall be appurtenant to the Villages Lot or Lots and shall pass to such Villages Owners' successors in title.

ARTICLE 14 -- MANAGEMENT

14.1. Management Agent.

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

(a) to establish (with the approval of the Villages Board of Directors of the Association) and provide for the collection of the Villages Assessments and Assessments provided for in this Villages Declaration and the Declaration and to provide for the enforcement of liens in a manner consistent with Law and the provisions of this Villages Declaration; and

(b) to provide for the care, upkeep, maintenance and surveillance of the Villages General Common Areas and Facilities and private streets and roadways; and

(c) to designate, hire and dismiss such personnel as may be required for the good working order, maintenance and

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efficient operation of the Villages General Common Areas and Facilities and private streets and roadways; and

(d) to circulate (with the approval of the Villages Board of Directors) and to enforce Villages Rules and Regulations respecting the use of the Villages General Common Areas and Facilities, and private streets and roadways; and

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

14.2. Duration of Management Agreement.

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

14.3. Villages Association Limitation of Liability.

The Villages Association shall not be liable for any failure of any services to be obtained by the Villages Association or for any services provided and paid with any common expense funds. The Villages Association shall not be held liable 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 Villages General Common Areas and Facilities, or from any wire, pipe, drain, conduit or the like. The Villages Association shall not be liable to any Villages Member for loss or damage, by theft or otherwise, of articles which may be left or stored upon the Villages General Common Areas and Facilities, or private streets and roadways. No diminution or abatement of Villages Assessments or Assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Villages General Common Areas and Facilities, or private streets and roadways, or from any action taken by the Villages Association to comply with any of the provisions of this Villages Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

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14.4. Self-Management.

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

If the standards and regulations of FHA or VA prohibit self-management by the Villages Association and FHA or VA holds an interest in a first mortgage or deed of trust against any of the Villages Lots, then no self-management shall be undertaken by the Villages Association, without the prior written consent and approval of FHA or VA, as the circumstances may require.

ARTICLE 15 -- VILLAGES DESIGN REVIEW COMMITTEE AND
ARCHITECTURAL CONTROL

15.1. Committee Composition.

There shall be a Villages Design Review Committee ("Committee") which shall consist of not less than three (3) nor more than five (5) persons.

15.2. Appointment and Removal.

The right to appoint and remove all members of the Committee shall be held by the Villages Board of Directors.

15.3. Procedure, Meetings and Consideration of Appeals.

Except as provided in this Villages Declaration, the affirmative vote of a majority of the membership of the Villages Design Review Committee shall be required in order to: (1) adopt or promulgate any Villages Rule or Regulation; (2) make any finding, determination, ruling or order; or (3) issue any permit, authorization or approval pursuant to directives or authorizations contained in this Villages Declaration.

By resolution of the entire Villages Design Review Committee, the Villages Design Review Committee may delegate to one or more members of the Villages Design Review Committee the authority to exercise the full authority granted in this Villages Declaration to the Villages Design Review Committee, except the

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promulgation of rules and regulations, including without limitation, the review of plans and specifications. Any such approval or disapproval by one such member shall be final and binding, provided, however, that in any such case, any applicant may, within ten (10) days after receipt of notice of any such adverse decision, file a written request to have the matter in question reviewed by the entire Villages Design Review Committee. Upon the filing of any such request, the matter shall be submitted to and reviewed as soon as is practicable by the entire Villages Design Review Committee. Any such approval or disapproval by the entire Villages Design Review Committee shall be final and binding, provided, however, that in any such case, any applicant may, within ten (10) days after receipt of notice of any such adverse decision, file a written request to have the matter in question reviewed by the entire Board of Directors of the Association. Within fifteen (15) days after receipt of such notice, the Board of Directors by resolution shall have the right but not the obligation to grant the applicant the opportunity to have the application considered by the entire Board of Directors; otherwise, the decision of the entire Villages Design Review Committee shall be final and binding. If the Board of Directors decides to consider the application, it will be reviewed as soon as is practicable by the entire Board of Directors. Any such approval or disapproval by the entire Board of Directors shall be final and binding, without further appeal.

The Villages Board of Directors, the Villages Design Review Committee and any other committee created pursuant to the terms and conditions of this Villages Declaration shall conduct open meetings in accordance with applicable Law, including without limitation, Md. Real Prop. Code Ann. Section 11B-111 (1988 Repl. Vol.), as amended, as further provided in the Villages Bylaws.

15.4. Reporting to the Tower Oaks Design Review Committee and Limited Delegation of Design and Development Authority to Villages Design Review Committee.

Notwithstanding anything in the Declaration to the contrary, the Villages Design Review Committee shall report to the Tower Oaks Design Review Committee, in the manner prescribed by the Tower Oaks Design Review Committee, as to the activities and decisions of the Villages Design Review Committee. At any time or from time to time, with or without cause, the Tower Oaks Design Review Committee, by notifying the Villages Design Review Committee, may require that any or all approvals be granted subject to the joint approval of the Tower Oaks Design Review Committee and the Villages Design Review Committee; however,

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unless the Villages Design Review Committee is so notified, the Villages Association, through its Villages Design Review Committee or any other duly created successor committee, shall have jurisdiction over all matters as described in this Article 15 of this Villages Declaration, so that it will not be necessary that an applicant obtain separate permission from the Tower Oaks Design Review Committee. The failure to exercise the rights described herein by the Association, the Tower Oaks Design Review Committee, or any other committee duly appointed by the Association, shall not constitute a waiver of the right to exercise such right at any other time.

15.5. Submission of Plans and Specifications.

No Structure shall be commenced, erected, placed, moved onto or permitted to remain on any Villages Lot, nor shall any existing Structure upon any Villages Lot be altered in any way which materially changes its exterior appearance, nor shall any initial or subsequent use be commenced on any Villages Lot, unless plans and specifications or any other information as requested by the Villages Design Review Committee (including a description of any proposed use) shall have been submitted to and approved in writing by the Villages Design Review Committee.

Plans and specifications shall be in conformance with the Villages Design and Development Guidelines and shall be in such form and shall contain such information, as may be required by the Villages Design Review Committee. The Villages Design Review Committee is authorized to request and the applicant is obligated to provide any and all information and copies that the Villages Design Review Committee determines necessary to render a decision about the application. Such information, plans and specifications to be submitted may include, without limitation: (i) a site development plan of the Villages Lot showing the nature, grading scheme, kind, shape, materials and location with respect to the particular Villages Lot (including proposed front, rear and side set-back lines) of all Structures, their locations with reference to Structures on adjoining portions of the Villages Property; (ii) a landscaping plan for the particular Villages Lot; (iii) a signage and lighting plan; (iv) a building elevation plan; and (v) details concerning dimensions, materials and exterior color scheme. The application and information, plans and specifications shall be referred to as "Plans and Specifications."

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15.6. Disapproval.

The Villages Design Review Committee shall have the right to disapprove any Plans and Specifications submitted because of any of the following:

(a) failure to comply with this Villages Declaration;

(b) failure of the Plans and Specifications to be in conformance with the Villages Design and Development Guidelines or to include such information as may have been reasonably requested by the Villages Design Review Committee;

(c) objection to the exterior design, appearance or materials of any proposed Structure;

(d) objection on the ground of incompatibility of any proposed Structure or use with existing Structures or uses upon other Villages Lots;

(e) objection to the location of any proposed Structure upon any Villages Lot or with reference to other Villages Lots in the vicinity;

(f) objection to the grading plan for any Lot;

(g) objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of any Structure; or

(h) any other matter which, in the reasonable judgment of the Villages Design Review Committee, would render the proposed Structure or Structures or use inharmonious with the general plan of improvement of the Villages Property or Structures located upon other Villages Lots.

In any case where the Villages Design Review Committee shall disapprove any plans and specifications, or shall approve the them only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the Villages Design Review Committee, shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal can be prepared and submitted for approval.

15.7. Approval.

Upon approval by the Villages Design Review Committee of any Plans and Specifications, a copy of such Plans and Specifications, as approved, shall be deposited for permanent record with the Villages Design Review Committee, and a copy of such Plans and Specifications bearing such approval, in writing, shall be returned to the applicant submitting the same.

15.8. Design and Development Guidelines.

The Villages Design Review Committee may promulgate Villages Design and Development Guidelines governing matters affecting the Villages Property such as (i) the form and content of Plans and Specifications to be submitted for approval; (ii) specific site criteria for various Villages Lots; (iii) statements of policy; or (iv) other matters which may facilitate the review and approval of Plans and Specifications submitted to the Villages Design Review Committee. Such Villages Design and Development Guidelines shall, upon issuance by the Villages Design Review Committee be deemed incorporated in this Villages Declaration and may be amended or revoked by the Villages Design Review Committee at any time, and no inclusion in, omission from or amendment of any such Villages Design and Development Guidelines shall be deemed to bind the Villages Design Review Committee to approve or disapprove any feature or matter subject to approval, or to waive the exercise of the Villages Design Review Committee's discretion as to any such matter. Approval for use on any Villages Lot of any plans or specifications shall not be deemed a waiver of the Villages Design Review Committee's right, in its discretion, to disapprove such plans or specifications or any of its features or elements if such plans, specifications, features or elements are subsequently submitted for use on any other Lot or Lots.

Approval of any such Plans and Specifications relating to any Villages Lot, however, shall be final as to that Villages Lot and such approval may not be revoked or rescinded, providing (i) the Structures or uses shown or described on or in such Plans and Specifications do not violate any specific prohibitions contained in this Villages Declaration, and (ii) that the plans and specifications, as approved, and any conditions attached to any such approval, have been adhered to and complied with in regard to all Structures and uses on the Villages Lot in question.

If the Villages Design Review Committee fails to approve or disapprove any Plans and Specifications within ninety (90) days after submission, the same shall be deemed to have been approved,

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as submitted, and no further action shall be required to evidence such approval, provided, however, such approval shall apply only as to the Plans and Specifications submitted, and in the event the plans submitted were for the purpose of schematic or preliminary approval, such approval shall not relieve the Villages Owner from its obligation to obtain the approval of the Villages Design Review Committee for any subsequent plan submissions required pursuant to the Villages Rules and Regulations circulated by the Villages Design Review Committee.

15.9. Construction Without Approval.

If any Structure shall be altered, erected, placed or maintained upon any Villages Lot, or any new use commenced on any Villages Lot, otherwise than in accordance with the approval by the Villages Design Review Committee pursuant to the provisions of this Article 15, such alteration, erection, maintenance or use shall be deemed to have been undertaken in violation of this Article 15 and without the approval required by this Villages Declaration, and, upon written notice from the Villages Design Review Committee, any such Structure so altered, erected, placed or maintained upon any Villages Lot in violation of this Villages Declaration shall be removed or realtered by the Villages Owner of such Villages Lot, and any such use shall be terminated, so as to extinguish such violation.

15.10. Certificate of Compliance.

Upon completion of the construction or alteration of any Structure, in accordance with Plans and Specifications approved by the Villages Design Review Committee, the Villages Design Review Committee shall, upon written request of the Villages Owner or its Mortgagee, issue a certificate of compliance, in form suitable for recordation, and in form acceptable to the Villages Design Review Committee which:

- (a) identifies such Structure and the Villages Lot on which such Structure is placed;
- (b) states that the plans and specifications, the location of such Structure, the use or uses to be conducted on such Villages Lot have been approved; and
- (c) states that such Structure complies with the terms and conditions of such approval.

Preparation and recording of such certificate, and all of the reasonable and necessary costs of the Villages Design Review

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Committee to consider and issue such certificate of compliance, including, without limitation, professional fees such as architect's, engineer's and attorney's fees, shall be at the expense of such Villages Owner. Any certificate of compliance issued in accordance with the provisions of this Section 15.10 shall be prima facie evidence of the facts stated, and as to any purchaser or Mortgagee in good faith and for value, or as to any title insurer, such certificate shall be conclusive evidence that all Structures on the Villages Lot, and the use or uses described, comply with all the requirements of this Article 15, and with all other requirements of this Villages Declaration as to which the Villages Design Review Committee exercises any discretionary or interpretive powers.

15.11. Review Fees.

The Villages Design Review Committee may charge and collect a reasonable Review Fee for the examination of any Plans and Specifications submitted for approval pursuant to this Article 15, payable at the time such Plans and Specifications are so submitted. Such fee shall generally be based upon anticipated costs to be incurred by the Villages Design Review Committee, including fees charged by consulting architects, attorneys, and engineers retained by the Villages Design Review Committee. the Villages Design Review Committee shall be entitled to collect, and the applicant shall be obligated to pay within ten (10) days of written demand from the Villages Design Review Committee, reasonable additional Review Fees, at any time, to defray the actual costs of the fees and expenses associated with the review. It is the express intention of this Section 15.11 that the Villages Design Review Committee shall not be required to incur any costs associated with review(s) contemplated in this Section 15.11 other than insignificant incidental charges.

15.12. Inspection.

In addition to the rights provided in Section 7.9, any agent of Grantor or the Association or its agents or employees may at any reasonable time or times enter upon and inspect any Villages Lot and any Structures or improvements (excluding the interior of occupied dwellings) for the purpose of ascertaining whether the maintenance of such Lot and the maintenance, construction, or alteration of Structures and the use or uses conducted are in compliance with the provisions of this Villages Declaration; and neither Grantor nor the Villages Association nor any such agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

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15.13. Liability.

Neither the following entities, nor any of its members or agents, which entities are known as the Grantor, the Villages Association, the Villages Board of Directors, the Villages Design Review Committee or any other entity or committee created pursuant to this Villages Declaration, the Villages Articles of Incorporation or the Villages Bylaws (hereinafter collectively referred to as the "Villages Association"), shall be liable for any damage, loss or prejudice suffered or claimed by applicant or any third party on account of: (a) any defects on any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications; (b) the approval or disapproval of any plans, drawings and specifications, whether or not defective, (c) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications; and (d) the development of any portion of the Property.

The Villages Association shall not be presumed to be knowledgeable about, nor shall they be held responsible for, integrity of engineering, architectural design, quality of construction, or compliance with local zoning ordinances, governmental guidelines or restrictions. Approval by the Villages Association shall in no way be construed as to pass judgment on the correctness of the location, structural design, suitability of water flow or drainage, location of utilities, or other qualities of the item being reviewed, nor shall such approval be substituted in lieu of applicable governmental approvals and permits or be deemed to constitute a determination as to compliance with local zoning ordinances, governmental guidelines or restrictions.

15.14. Deviations.

The Villages Design Review Committee is hereby authorized and empowered to grant reasonable deviations from the provisions of this Villages Declaration, in order to overcome practical difficulties and to prevent unnecessary hardship in the application of the provisions, provided, however, that deviations shall not materially injure any of the Villages Property or improvements nor shall any such deviations detract from the overall aesthetic and architectural character of the Villages Property. No deviation granted shall constitute a waiver of any provisions of this Villages Declaration as applied to any other person or portion of the Villages Property. No deviation so granted shall be deemed in any way to substitute for any approval

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that might otherwise be required to be granted by the City or any other governmental entity under the Law.

ARTICLE 16 -- MAINTENANCE OF VILLAGES GENERAL COMMON AREAS
AND FACILITIES

The Villages Association shall maintain and keep in good order at all times, the Villages General Common Areas and Facilities, such maintenance to be funded by Villages Common Expenses Assessments, in accordance with Article 8 of this Villages Declaration. The Villages Association's maintenance obligation may include, but not be limited to, snow removal, maintenance of project identification signs, the repair and replacement of site lighting, improvements, stormwater management facilities, and landscaping located within the Villages General Common Areas and Facilities. The Villages Association may also maintain other portions of the Villages Property, the Property, or areas of the Reserved Parcel adjacent to the Villages Property, if such maintenance is reasonably related to preserving the value of the Villages Property or benefitting the Villages Owners.

The Villages Association may, in the discretion of the Villages Board of Directors, assume some, more or less maintenance responsibilities upon all or any portion of the Villages Lots. All costs associated with individual Villages Lot maintenance shall be assessed only against the Villages Owner of such Villages Lot as a Restoration Assessment, unless the Grantor or the Villages Association determines that a benefit is conferred upon other Villages Owners as the result of such maintenance or such maintenance is being provided to all of the other Villages Lots, in which case such costs shall constitute Villages Common Expenses.

The assumption of Villages Lot maintenance by the Villages Association may take place either by contract with the Villages Owner of such Villages Lot or because, in the sole opinion of the Villages Board of Directors, the level and quality of service for such Villages Lot is not consistent with the standards for the Villages Property. In either case, the expenses shall constitute a Villages Restoration Assessment.

The Villages Association may also be responsible for implementing any and all other conditions or obligations placed upon the Villages Property by any governmental or quasi-governmental agencies, including, but not limited to, obligations set forth in any ordinances, regulations, site plan

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enforcement agreements or other agreements. The costs associated with the foregoing Association obligations may be funded by Villages Common Expenses Assessments in accordance with Article 8.

ARTICLE 17 -- VIOLATION OF VILLAGES DECLARATION; ENFORCEMENT

17.1. Removal of Violations; Liens.

If any monetary or non-monetary violation or breach of any of this Villages Declaration shall exist with respect to any Villages Lot, and the Villages Owner of such Villages Lot has not taken reasonable steps toward the removal or termination of the same within thirty (30) days after written notice to the Villages Owner and Mortgagee, if any, Grantor or the Villages Association shall have the right, through their agents, designees and employees, and may take such actions as are reasonable to correct the violation or breach.

With respect to non-monetary violations or breaches, this Villages Declaration shall include the right to enter upon such Villages Lot and summarily abate, remove and extinguish any thing or condition that may be or exist contrary to these provisions. Grantor or the Villages Association, as applicable, or any such agent, designee or employee, shall not thereby be deemed to have trespassed upon such Villages Lot and shall be subject to no liability to the Villages Owner or occupant of such Villages Lot for such entry, abatement or removal. This provision is not intended to limit or modify the rights and obligations of the Villages Owners as provided in Section 17.3.

With respect to monetary defaults, each Villages Owner of a Villages Lot shall pay its proportionate share of all Assessments and/or Villages Assessments within fifteen (15) days after the Villages Association sends a reasonably detailed statement for such costs to the Villages Member at the address indicated in the Villages Association records (the "Due Date"). If not paid by the Due Date, such costs shall bear interest at the prime rate of interest then being charged by NationsBank (or its successors), plus five percent (5%) until paid, or at such lower rate as otherwise required by Law. If such assessment has not been paid within thirty (30) days after the Due Date, the Grantor or the Villages Association, as applicable, shall be entitled at its election to: (i) declare the entire remaining unpaid balance of any Villages Assessment due and payable in full; (ii) in accordance with the Villages Bylaws, suspend the right of such Villages Member to vote; and/or (iii) foreclose the

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expressed contractual lien provided for in this Villages Declaration on such Villages Lot for the unpaid Assessment and/or Villages Assessment levied against it in accordance with the provisions of this Villages Declaration, which lien shall become effective as of the date of its recordation in the Land Records, provided the requirements of the Maryland Contract Lien Act have been met, and provided the Villages Association obtained the prior written approval from the Association and otherwise complied with Section 17.6, and complied, if necessary, with the provisions of Section 17.4.

Such lien shall be subordinate to: (i) the lien, operation and effect of all First Mortgages or first deeds of trust recorded before the recordation of such lien for assessments, (ii) all amendments, modifications, recastings, extensions and renewals of such mortgages and deeds of trust, (iii) all advances made under Mortgages or deeds of trust, including advances made after the date of recordation of the lien regardless of whether or not the particular advance was obligatory or unconditionally committed at the time of recordation of the lien, and (iv) any lien imposed by the Association. The provisions of this Section 17.1 shall not affect the priority of mechanics' and materialmen's liens.

The lien for unpaid assessments as well as the cost of any abatement or removal of violations authorized under this Section 17.1 shall be a binding, personal obligation of the Villages Owner of the Villages Lot upon which such violation has occurred.

17.2. Failure to Enforce; Waiver.

This Villages Declaration shall bind and inure to the benefit of and be enforceable by Grantor, the Villages Association, as applicable, and the Villages Owner or Owners of record of any Villages Lot and the respective heirs, successors and assigns of each. The failure of any person entitled to enforce any portion of this Villages Declaration to enforce the same shall in no event be deemed a waiver of the right of any such person to enforce this Villages Declaration.

Waiver or attempted waiver of this Villages Declaration with respect to any Villages Lot shall not be deemed a waiver as to any other Villages Lot, nor with respect to the Villages Lot in question regarding any subsequent violation, nor shall the violation of any portion this Villages Declaration with respect to any Villages Lot affect the applicability or

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enforceability of this Villages Declaration with respect to any other Villages Lot.

The failure to enforce any of the terms and conditions of this Villages Declaration by Grantor, the Villages Association, its agents, as applicable, and the respective heirs, successors and assigns of each, shall not be liable for any damage, loss or prejudice suffered or claimed by any party on account of the failure to enforce any or all of the terms and conditions of this Villages Declaration, nor shall any failure to enforce be deemed to constitute a determination as to compliance with the Law, including, without limitation, local zoning ordinances, governmental guidelines or restrictions.

17.3. Dispute Settlement.

In the event of any dispute arising under this Villages Declaration between a Villages Owner, the Grantor or the Villages Association, as applicable, or its Villages Design Review Committee, the following dispute settlement mechanism shall be utilized, notwithstanding any provision in the Declaration to the contrary.

(a) The Villages Board of Directors, or a duly appointed committee, shall be charged with determining whether there is probable cause that any of the provisions of this Villages Declaration, the Villages Articles of Incorporation, the Villages Bylaws, or the Villages Rules and Regulations regarding the use of the Structures or dwelling units, Villages Lots, Villages General Common Areas and Facilities, or any other Villages Association property, are being or have been violated.

(b) If such body determines an instance of such probable cause, it shall cause the Villages Board of Directors to send Notice to the Person alleged to be in violation, and the Villages Owner of the Villages Lot which that Person occupies or is visiting (if such Person is not the Villages Owner), of the specific nature of the alleged violation and of the opportunity for a hearing before the Villages Board of Directors upon a request made within ten (10) days of the sending of the Notice.

(c) The Notice shall also specify, and it is hereby provided, that each recurrence of the alleged violation or each day during which it continues shall be deemed a separate offense, subject to a separate fine not to exceed Twenty-five and No/100 Dollars (\$25) for each offense. The Notice shall also specify, and it is hereby provided, that in lieu of requesting a hearing, the alleged violator or Villages Owner may respond to the Notice

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within ten (10) days of its sending, acknowledging in writing that the violation occurred as alleged and promising that it will cease and not recur, and that such acknowledgment and promise, and performance in accordance therewith, shall terminate the enforcement activity of the Villages Association with regard to such violation.

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

(e) Subsequent to any hearing, or if no hearing is timely requested and if no acknowledgement, promise and performance is timely made, the Villages Board of Directors shall determine whether there is sufficient evidence of a violation or violations as provided herein. If the Villages Board of Directors determines that there is sufficient evidence, it may levy a fine for each violation in the amount provided in this Section 17.3 and/or to take any further action that the Villages Board of Directors deems appropriate and consistent with this Villages Declaration.

(f) A fine pursuant to this Section 17.3 shall be assessed against the Villages Lot which the violator occupied or was visiting at the time of the violation, whether or not the violator is the Villages Owner of that Villages Lot, and shall be collectible in the same manner as any other Assessment, including pursuant to the lien rights of the Villages Association as provided in this Villages Declaration. Nothing herein shall be construed to interfere with any right that a Villages Owner may have to obtain payment of the amount of any fine(s) assessed against such Villages Lot from a violator occupying or visiting its Villages Lot.

(g) Nothing in this Section 17.3 shall be construed as a prohibition of or limitation on the right of the Villages Association to pursue any other means of enforcement of the provisions of this Villages Declaration, the Villages Articles of Incorporation, the Villages Bylaws, or the Villages Rules and Regulations, including, but not limited to, legal action for damages or injunctive relief pursuant to the other terms and conditions of this Villages Declaration or the collection of Villages Assessments.

17.4. Agreement to Pursue Arbitration.

Except for the equitable remedy of specific performance and any and all other remedies that a court of competent jurisdiction may order in the course of a proceeding granting the remedy of specific performance, which remedies may be pursued in court, all disputes under this Villages Declaration that are not finally resolved by the provisions as otherwise provided in this Villages Declaration shall be settled by binding arbitration conducted by a neutral arbitrator selected by the American Arbitration Association or other third Party arbitration organization designated by the Board of Directors at the arbitrator's offices closest to the Property. The arbitration shall be conducted according to the American Arbitration Association Commercial Arbitration Rules. By acceptance of a deed conveying fee simple title to any Lot, each Villages Member agrees to join into the arbitration proceeding. The arbitration shall determine all rights and obligations and the award of the arbitrator shall be final, binding and enforceable.

17.5. Costs Incurred for Legal Action.

In the event of any proceedings brought by any party or parties to enforce or restrain violation of any portion of this Villages Declaration or to determine the rights or duties of any Person hereunder in a court of competent jurisdiction, the prevailing party in such proceedings may recover reasonable attorneys' fees to be fixed by the court, in addition to court costs and any other relief awarded by the court in such proceeding.

17.6. Lien Rights Between Association and Subassociation(s).

If the Villages Owner of a Villages Lot is delinquent in the payment of any assessment imposed by either the Association or the Villages Association governing such Villages Lot, the Villages Association shall be responsible for:

(a) the collection of any assessments whether imposed by the Association or the Villages Association;

(b) the prosecution of any such claim, the imposition of any lien and the foreclosure of any lien on the Villages Lot; and

(c) the cost of collection and/or any foreclosure action.

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The Villages at Tower Oaks Homeowners Association, Inc.
Declaration of Covenants, Conditions,
Easements and Restrictions

Unless the Association and the Villages Association enter into another arrangement in writing before commencing the collection proceeding, the proceeds of any collection proceeding shall be applied first to satisfy the claims of the Association, including assessments, interest, late fees, attorneys' fees and costs. Any remaining proceeds shall next be applied to amounts due the Villages Association for assessments, interest, attorneys' fees and late fees, in that order. Proceeds shall be conveyed to the Villages Association in such manner upon collection.

The Villages Association shall use reasonable efforts to collect the assessments, including any interest and late fees due, but nothing herein shall be construed as a representation that the collection and/or foreclosure of the lien interests will be sufficient to satisfy all or any part of the assessments due the Association. Further the Villages Association shall not be deemed to be a guarantor of payment. The Villages Association shall be entitled only to the remaining funds, if any, after application of funds collected as provided in this Section 17.6. The Villages Association shall not be required to proceed with any collection and/or foreclosure action against a Villages Owner on behalf of the Association and/or the Villages Association, if, in the Villages Association's sole discretion, the Villages Association determines that it would be unreasonable to predict that the proceeds, if any, from any such action will be sufficient to justify the expenditure of funds for collection.

ARTICLE 18 -- ASSIGNMENT OF RIGHTS AND DUTIES AND SUCCESSORS

18.1. Assignments by Grantor and Release of Grantor.

Any and all of the rights, powers and reservations of Grantor may be assigned to any person, corporation or association which will assume the duties of Grantor pertaining to the particular rights, powers and reservations assigned, and upon any such person, corporation or association's evidencing its consent in writing to accept such assignment and assume such duties, it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Grantor. To the extent that such rights, powers and reservations are assigned as permitted by Law, the Grantor is thereby released of the rights, powers and reservations and the related liability.

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The Villages at Tower Oaks Homeowners Association, Inc.
Declaration of Covenants, Conditions,
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18.2. Accession to Powers By Default.

In no event shall the Grantor or the Villages Association relinquish particular rights, powers or reservations that must be held by an entity in order for the Villages Property to function in compliance with this Villages Declaration, the Declaration, and the Comprehensive Planned Development, unless a successor Grantor or other entity shall be appointed by the approval of fifty-one percent (51%) of each class of the then Villages Members, which entity must agree to exercise all of such rights, powers or reservations.

If the Grantor or the Villages Association nonetheless relinquishes any particular rights, powers or reservations that must be held by an entity in order for the Villages Property to function in compliance with this Villages Declaration, the Declaration and the Comprehensive Planned Development, each Villages Lot, and the Villages Owners of record of each such Villages Lot, shall continue to be bound by all of the terms and conditions of this Villages Declaration, the Declaration, and the Comprehensive Planned Development.

Any assignment or appointment made under this Article 18 shall be in recordable form and shall be recorded in the Land Records.

18.3. Merger of Association(s).

In accordance with governing law and the Villages Articles of Incorporation, the property, rights and obligations of the Villages Association may be transferred to another surviving or consolidated association into which the Villages Association is merged which is substantially identical in corporate nature and purposes or, alternatively, the property, rights and obligations of an association substantially identical in corporate nature and purposes may be added, if required by applicable law, to the property, rights and obligations of the Villages Association so that the Villages Association will be the surviving corporation pursuant to a merger. The surviving or consolidated association may administer this Villages Declaration established upon any other properties as one scheme. No such merger or consolidations, however, shall effect any revocation, change or addition to the covenants established by this Villages Declaration or dilution of the voting rights of any Villages Member. Any such merger or consolidation shall require approval by fifty-one percent (51%) of each class of the then Villages Members of the Villages Association.

The Villages at Tower Oaks Homeowners Association, Inc.
Declaration of Covenants, Conditions,
Easements and Restrictions

ARTICLE 19 -- GOOD FAITH LENDERS CLAUSE

No violation of any of this Villages Declaration shall defeat or render invalid the lien of any Mortgage made in good faith and for value upon any portion of the Villages Property, nor shall any lien created hereunder be superior to any such mortgage unless a suit to enforce the same shall have been filed in a court of record in Montgomery County before the recordation among the Land Records of such Mortgage, provided, however, that any Mortgagee in actual possession, or any purchaser at any trustees', mortgagees' or foreclosure sale shall be bound by and subject to this Villages Declaration as fully as any other Villages Owner of any Villages Lot.

ARTICLE 20 -- GRANTEE'S COVENANT

Each grantee, lessee or other person in interest, accepting a deed to or lease of a portion or all of any Villages Lot, whether or not the same incorporates or refers to this Villages Declaration, covenants for himself, his heirs, successors and assigns to observe, perform and be bound by this Villages Declaration and to incorporate this Villages Declaration by reference in any Deed or other conveyance of all or any portion of his interest in any real property subject hereto.

ARTICLE 21 -- RIGHTS RETAINED BY AND OTHER PROTECTIONS OF GRANTOR

21.1. Grantor's Amendments to Comprehensive Planned Development.

The Grantor hereby reserves the right to amend the Comprehensive Planned Development (including the addition of lands which have yet not been made, but which may never be made, subject to this Villages Declaration), in response to changes in technological, economic, environmental or social conditions related to the development or marketing of the Reserved Parcel, to changes in requirements of government agencies and financial institutions, or for any other reason deemed appropriate by the Grantor, as determined in its sole discretion; provided, however, that the Grantor shall not prohibit any existing use of any Villages Lot previously commenced in conformity with the Comprehensive Planned Development as applicable and in force as of the time such use commenced, and approved by the Villages Design Review Committee or impair access to any such Villages

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The Villages at Tower Oaks Homeowners Association, Inc.
Declaration of Covenants, Conditions,
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Lot. By acceptance of fee simple title to any Villages Lot, each Villages Owner hereby consents to any amendment to the Comprehensive Planned Development as provided in this Section 21.1.

Such amendments shall be effected by: (i) giving Notice of the changes to the Villages Association, and (ii) securing the approval of the appropriate governmental authorities.

21.2. Certain Rights of the Grantor.

For as long as the Grantor shall own any of the Reserved Parcel, its rights and interests shall not be prejudiced by any of the following actions unless it shall, in writing, join in such actions that:

(a) Discriminate or tend to discriminate against the Grantor's rights as a Villages Owner, vis a vis the rights of other Owners.

(b) Change Article 1, Definitions, or any other capitalized terms in this Villages Declaration in a manner which alters the Grantor's rights or status.

(c) Alters the Grantor's rights under Article 4 as regards annexation of additional properties or deannexation of Villages Property.

(d) Alters the character and rights of Villages Membership or the rights of the Grantor as set forth in Article 10.

(e) Alters previously recorded or written agreements with public or quasi-public agencies as regards easements and rights-of-way.

(f) Denies the right to convey an interest in the Villages General Common Areas and Facilities to the Villages Association so long as they lie within the land area represented in the Comprehensive Planned Development.

(g) Alters the basis for Villages Assessments.

(h) Alters the provisions of the protective covenants and easements as set forth in this Villages Declaration.

The Villages at Tower Oaks Homeowners Association, Inc.
Declaration of Covenants, Conditions,
Easements and Restrictions

(i) Alters the number or selection of the Board of Directors as established in this Villages Declaration.

(j) Alters the Grantor's rights as they appear under this Section 21.2.

21.3. Changes Required by Lenders or Governmental Agencies.

Notwithstanding any provision to the contrary contained in this Villages Declaration, the Villages Articles of Incorporation or the Villages Bylaws, the Grantor shall have and hereby reserves the right to make modifications, additions or deletions to this Villages Declaration, the Villages Articles of Incorporation and the Villages Bylaws if such modifications, additions or deletions are required by VA, FHA, FHLMC, FNMA or a government or municipal agency. The Grantor further reserves the right to waive in writing any exception, right or privilege granted or reserved to the Grantor by this Villages Declaration or the Villages Articles of Incorporation or the Villages Bylaws.

21.4. Agreement Not to Oppose Development Activities.

As long as the Grantor has an interest in developing or redeveloping any of the land and premises described on the attached Exhibit "A" in accordance with the Comprehensive Planned Development ("Grantor's Development Activities"), no Person, including without limitation, the Villages Association and any Villages Member and/or Villages Owner, shall oppose, object to, or interfere with, either directly or indirectly, the Grantor's Development Activities including, without limitation: (i) using the financial resources of the Villages Association to defray any costs associated with opposing, objecting to or interfering with the Grantor's Development Activities; and (ii) pursuing governmental approvals to amend the Comprehensive Planned Development.

21.5. Course of Construction.

In the course of construction of any and all Structures or improvements on any Lot (including any General or Limited Common Areas and Facilities), each Owner or Grantor, as the case may be, shall use its best efforts to minimize interference resulting from such construction activities and/or use with the construction activities and use and enjoyment of any other Lot (including any General or Limited Common Areas and Facilities), or any public roadway, right-of-way or other public facility. However, each Owner, by acceptance of a deed to a Lot,

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The Villages at Tower Oaks Homeowners Association, Inc.
Declaration of Covenants, Conditions,
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whether or not stated in such deed, acknowledges that the Property may be the site of active construction for a period of years, assumes the risks that inconveniences may occur, that interference resulting from construction activities is inevitable, that as a major mixed use development, interference from permitted uses may occur, and acknowledges that each Owner shall have no claim against any party resulting from such inconvenience and/or interference.

ARTICLE 22 -- CONSENT OF VA and/or FHA

Provided that any Villages Lot in the Villages Property is then encumbered by a Mortgage which is guaranteed by the VA, or insured by the FHA, and provided, further, that there are then Class B Memberships of the Villages Association outstanding, neither the Villages Members, the Villages Board of Directors nor the Villages Association shall, by act or omission, take any of the following actions without the prior written consent and approval of the VA and/or FHA, as applicable:

(a) abandon, partition, subdivide, encumber, sell or transfer any of the Villages General Common Areas and Facilities; provided, however, that the granting of rights-of-way, easements and the like for public utilities and cable television or for other purposes consistent with the use of the Villages General Common Areas and Facilities by the Villages Members shall not be considered a transfer within the meaning of this Article 22; or

(b) abandon or terminate this Villages Declaration;
or

(c) modify or amend any material or substantive provision of this Villages Declaration or the Villages Bylaws.

ARTICLE 23 -- CONSTRUCTION OF THE DECLARATION

23.1. Conflict or Ambiguity: Construction by Grantor.

If any discrepancy, conflict or ambiguity is found to exist with regard to any matter set forth in this Villages Declaration, such ambiguity, conflict or discrepancy shall be resolved and determined by Grantor or the Villages Association, as applicable. Grantor or the Villages Association, as applicable, shall have the right to interpret the provisions of this Villages Declaration and, in the absence of arbitration or

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The Villages at Tower Oaks Homeowners Association, Inc.
Declaration of Covenants, Conditions,
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an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all persons or property benefitted or bound by the these provisions. Any conflict between any construction or interpretation of Grantor or the Villages Association, as applicable, and that of any other person or entity entitled to enforce any of the these provisions shall be resolved in favor of the construction or interpretation of Grantor or the Villages Association, as applicable.

23.2. Validity of This Villages Declaration.

The determination by any court that any provision of this Villages Declaration is unlawful, void or unenforceable, in whole or in part, shall not affect the validity of any other provision, and no such determination that any provision is inapplicable or unenforceable as to any particular Villages Lot or Lots shall affect the applicability or enforceability of the provision or any other provision to any other Villages Lot or Lots.

23.3. Waiver of Reversionary Right.

This Villages Declaration shall not be construed as conditions subsequent, or creating a possibility of reverter, and no provision shall be deemed to vest in Grantor or any other persons any reversionary interest with respect to any Villages Lot. Any such reversionary right is hereby expressly waived by Grantor.

23.4. Effect of Headings; Number and Gender.

The headings of the Articles and Sections of this Villages Declaration are for convenience only and shall not affect the meanings or interpretation of the contents of this Villages Declaration. Whenever the context so requires, the male, female, or neuter shall include all genders. Whenever the context so requires, the singular shall include the plural and vice versa.

23.5. Conflict with Applicable Laws.

This Villages Declaration shall not be taken as permitting any action or thing prohibited by Law or by specific restrictions imposed by any deed. If there is any conflict, the most restrictive provision of the Law or deed restriction shall be interpreted to control.

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The Villages at Tower Oaks Homeowners Association, Inc.
Declaration of Covenants, Conditions,
Basements and Restrictions

23.6. Rule Against Perpetuities.

The terms and conditions of this Villages Declaration shall be construed so as to comply with the rule against perpetuities. If any of the terms and conditions of this Villages Declaration shall be unlawfully void, or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

[SIGNATURE PAGE FOLLOWS.]

The Villages at Tower Oaks Homeowners Association, Inc.
Declaration of Covenants, Conditions,
Easements and Restrictions

IN WITNESS WHEREOF, the undersigned Grantor has executed
this instrument this 16th day of FEBRUARY, 1996.

WITNESS:

GRANTOR:

TOWER-DAWSON LIMITED PARTNERSHIP,
Maryland limited partnership

By: Dawson Development Company
Limited Partnership, a Maryland
limited partnership

By: Gary M. Abramson
Gary M. Abramson
General Partner

STATE OF MARYLAND)

COUNTY OF Montgomery):

to wit

I HEREBY CERTIFY that on this 16th day of February,
1996, before me, a Notary Public in and for the State and County
aforesaid, personally appeared Gary M. Abramson, who acknowledged
himself to be the general partner of Dawson Development Company
Limited Partnership, a Maryland limited partnership, and that he
as such general partner being authorized to do so, executed the
foregoing and annexed instrument on behalf of the aforesaid
limited partnership, General Partner of TOWER-DAWSON LIMITED
PARTNERSHIP, a Maryland limited partnership, for the purposes
provided by signing as general partner.

IN WITNESS WHEREOF, I set my hand and official seal.

Kimberly W. Eason
Notary Public

My Commission Expires:

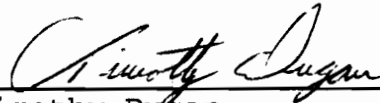
[NOTARIAL SEAL]

May 1, 1999

The Villages at Tower Oaks Homeowners Association, Inc.
Declaration of Covenants, Conditions,
Basements and Restrictions

CERTIFICATION

I HEREBY CERTIFY that the foregoing instrument has been prepared by or under the supervision of the undersigned Maryland attorney, or by a party to this instrument.



Timothy Dugan

INFORMATION FOR RECORDING PURPOSES ONLY:

Tax I.D. No.: 16-4-152524
16-4-148420

No title insurance issued.

After recordation, please return to:

E:\11638006\DECTOWVI.TD

Wilkes, Artis, Hedrick & Lane
3 Bethesda Metro Center, Suite 800
Bethesda, Maryland 20814-5329
Attention: Timothy Dugan and William Kominers

EXHIBIT "A"

Loiederman Associates, Inc.

February 15, 1996

Project No. 136-06 (136-04 comp)

**DESCRIPTION OF
TOWER OAKS****PART OF THE LANDS OF
TOWER-DAWSON LIMITED PARTNERSHIP, (OWNER)
(LIBER 7393 FOLIO 617 AND LIBER 9083 FOLIO 173)**

Being three (3) strips or parcels of land, lying within the Rockville (4th) Election District, Montgomery County, Maryland, hereinafter, described in, through, over and across the lands acquired by the Owner by two deeds, the first from WESTMONT ASSOCIATES by a deed dated November 12, 1986, and recorded among the Land Records of Montgomery County, Maryland in Liber 7393 at Folio 617 and the second from STATE HIGHWAY ADMINISTRATION OF THE DEPARTMENT OF TRANSPORTATION, acting on the behalf of the STATE OF MARYLAND, by a deed dated September 18, 1989 and recorded among said Land Records in Liber 9083 at Folio 173; and being more particularly described as shown on an Description Plat entitled "TOWER OAKS" attached hereto and made part hereof by this reference; containing a total of 177.1818 of an acre of land.

Subject to any and all other Easements, Rights of Way, and Covenants of record.

TAX ACCOUNT TABULATION

TAX ID.	ACCOUNT No.	RECORD REFERENCE
P800	04-201-00148420	PART 1; LIBER 7393 FOLIO 617
P510	04-201-00152524	PART 2; LIBER 7393 FOLIO 617
N278	04-201-00089067	PART 4; LIBER 7393 FOLIO 617
PT. LOT 23	04-201-02069722	LIBER 9083 FOLIO 173

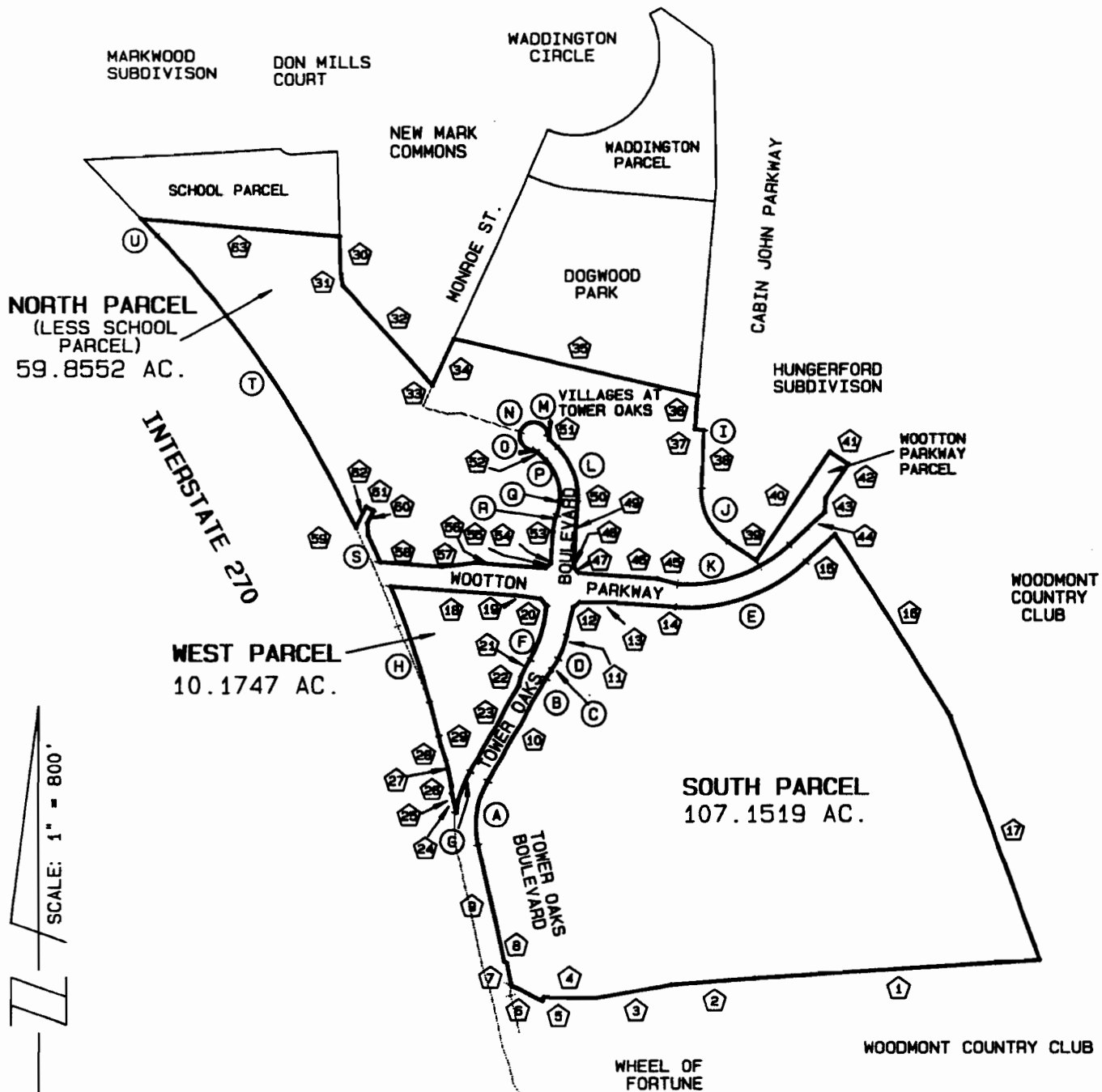
EXHIBIT "A"**THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS**

Description of the Reserved Parcel

Page 1 of 4

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EXHIBIT "A"



INFORMATION SHOWN HEREON HAS BEEN ACQUIRED FROM AVAILABLE RECORDS, WITHOUT THE BENEFIT OF A TITLE REPORT OR FIELD SURVEYS.

EXHIBIT "A"

DESCRIPTION PLAT 1 OF 3

TOWER OAKS

LANDS OF

TOWER-DAWSON

LIMITED PARTNERSHIP

(L.7393 F.617 & L.9083 F.173)

CITY OF ROCKVILLE

MONTGOMERY COUNTY, MARYLAND

SCALE: 1" = 800' FEBRUARY, 1996

PLAN 136-04/26124

Description of the Reserved Parcel

Page 2 of 4



LOIEDERMAN ASSOCIATES, INC.

CIVIL ENGINEERING * LAND SURVEYING
LAND PLANNING * ENVIRONMENTAL STUDIES15200 Shady Grove Road
Rockville, Maryland 20850
(301) 948-2750

0013964 267

EXHIBIT "A"

CURVE DATA

○	DELTA	RADIUS	LENGTH	TANGENT	CHORD BEARING	CHORD DIST.
A	41° 46' 10"	474.00	345.55	180.86	N 08° 22' 17"E	337.95
B	10° 00' 03"	283.00	49.40	24.76	N 34° 15' 24"E	49.33
C	12° 24' 41"	317.00	68.67	34.47	N 33° 03' 00"E	68.53
D	13° 49' 34"	519.17	125.28	62.95	N 19° 57' 39"E	124.98
E	47° 22' 37"	878.51	726.43	385.43	N 70° 38' 20"E	705.91
F	25° 46' 02"	633.00	284.67	144.79	S 16° 22' 21"W	282.28
G	22° 36' 58"	578.00	228.15	115.58	S 17° 56' 53"W	226.67
H	7° 43' 44"	5919.58	798.52	399.87	N 17° 52' 40"W	797.91
I	0° 03' 42"	2185.14	2.35	1.18	S 02° 54' 21"W	2.35
J	58° 52' 39"	315.00	323.70	177.77	S 26° 33' 50"E	309.64
K	47° 22' 37"	758.51	627.20	332.78	S 70° 38' 20"W	609.48
L	49° 15' 25"	351.00	301.75	160.91	N 20° 18' 04"W	292.55
M	41° 12' 11"	33.00	23.73	12.40	N 24° 19' 41"W	23.22
N	264° 02' 11"	72.00	331.80		S 44° 15' 18"W	106.98
O	42° 50' 00"	33.00	24.67	12.94	S 66° 20' 47"E	24.10
P	49° 15' 25"	261.00	224.38	119.65	S 20° 18' 04"E	217.53
Q	16° 15' 37"	285.00	80.88	40.71	S 12° 27' 27"W	80.61
R	16° 15' 37"	315.00	89.40	45.00	S 12° 27' 27"W	89.10
S	1° 27' 39"	5919.58	150.93	75.47	N 23° 46' 22"W	150.92
T	17° 54' 00"	5879.58	1836.86	925.98	N 34° 03' 48"W	1829.40
U	0° 53' 07"	7789.49	120.36	60.18	N 43° 27' 27"W	120.35

EXHIBIT "A"

THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS

Description of the Reserved Parcel

Page 3 of 4

DESCRIPTION PLAT 2 OF 3

TOWER OAKS

LANDS OF

TOWER-DAWSON

LIMITED PARTNERSHIP

(L.7393 F.617 & L.9083 F.173)

CITY OF ROCKVILLE

MONTGOMERY COUNTY, MARYLAND

NO SCALE

FEBRUARY, 1996

PLAN 136-04/26124



LOIEDERMAN ASSOCIATES, INC.

CIVIL ENGINEERING * LAND SURVEYING
LAND PLANNING * ENVIRONMENTAL STUDIES15200 Shady Grove Road
Rockville, Maryland 20850
(301) 948-2750

0013964 268

EXHIBIT "A"

LINE DATA

LINE	BEARING	DISTANCE
1	S 86° 29' 11" W	1462.24
2	S 85° 45' 12" W	428.65
3	S 79° 51' 12" W	400.00
4	N 88° 38' 48" W	257.75
5	S 18° 30' 54" W	21.40
6	N 62° 48' 06" W	177.12
7	N 11° 31' 10" W	116.21
8	N 57° 30' 48" W	18.39
9	N 12° 30' 48" W	612.95
10	N 29° 15' 22" E	601.90
11	N 13° 02' 52" E	145.68
12	N 51° 46' 50" E	41.30
13	S 89° 51' 01" E	156.03
14	S 85° 40' 22" E	331.98
15	N 46° 57' 01" E	208.03
16	S 32° 34' 15" E	1098.85
17	S 20° 02' 20" E	1345.72
18	S 85° 40' 22" E	631.15
19	S 82° 29' 19" E	135.10
20	S 39° 11' 06" E	44.74
21	S 29° 15' 22" W	106.36

LINE DATA

LINE	BEARING	DISTANCE
22	S 11° 42' 52" W	39.81
23	S 29° 15' 22" W	503.44
24	N 12° 30' 48" W	98.63
25	N 18° 48' 01" W	7.35
26	N 02° 37' 10" W	40.48
27	N 11° 56' 20" W	132.68
28	N 19° 07' 35" W	78.41
29	N 13° 45' 25" W	51.98
30	S 01° 38' 30" E	193.13
31	S 09° 06' 03" E	61.85
32	S 40° 48' 44" E	632.04
33	S 41° 25' 20" E	60.11
34	N 24° 11' 20" E	265.38
35	S 76° 26' 37" E	1280.52
36	S 05° 02' 03" W	170.01
37	S 84° 56' 37" E	46.87
38	S 02° 52' 30" W	293.77
39	S 56° 00' 09" E	173.64
40	N 33° 59' 57" E	674.83
41	S 55° 59' 50" E	115.00
42	S 34° 00' 10" W	209.64

LINE DATA

LINE	BEARING	DISTANCE
43	S 04° 13' 53" W	72.07
44	S 46° 57' 01" W	247.00
45	N 74° 40' 54" W	104.90
46	N 85° 40' 22" W	403.40
47	N 38° 13' 15" W	34.78
48	N 00° 51' 30" E	24.42
49	N 02° 35' 28" E	198.10
50	N 04° 19' 38" E	122.66
51	N 44° 55' 47" W	58.83
52	S 44° 55' 47" E	56.61
53	S 04° 19' 36" W	152.67
54	S 04° 20' 06" W	13.00
55	S 49° 19' 38" W	35.36
56	N 85° 40' 22" W	366.60
57	S 83° 01' 03" W	163.17
58	N 85° 40' 22" W	312.55
59	N 03° 12' 42" W	67.92
60	N 27° 31' 18" E	69.02
61	N 60° 03' 24" W	44.31
62	S 25° 16' 14" W	122.65
63	S 84° 41' 08" E	1030.86

EXHIBIT "A"

THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS

Description of the Reserved Parcel

Page 4 of 4

DESCRIPTION PLAT 3 OF 3

TOWER OAKS

LANDS OF

TOWER-DAWSON

LIMITED PARTNERSHIP

(L.7393 F.617 & L.9083 F.173)

CITY OF ROCKVILLE

MONTGOMERY COUNTY, MARYLAND

NO SCALE

FEBRUARY, 1996

PLAN 136-04/26124



LOIEDERMAN ASSOCIATES, INC.

CIVIL ENGINEERING * LAND SURVEYING
LAND PLANNING * ENVIRONMENTAL STUDIES15200 Shady Grove Road
Rockville, Maryland 20850
(301) 948-2750

THE VILLAGES AT TOWER OAKS (13.5616 ACRE PARCEL)

EXHIBIT "B"

EXHIBIT "B"

THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND
RESTRICTIONS

Description of the Villages Property

Page 1 of 4

Loiederman Associates, Inc.

February 15, 1996

Project No. 136-06 (136-04 comp)

DESCRIPTION OF THE VILLAGES AT TOWER OAKS

PART OF THE LANDS OF TOWER-DAWSON LIMITED PARTNERSHIP, (OWNER) (LIBER 7393 FOLIO 617)

Being a strip or parcel of land, lying within the Rockville (4th) Election District, Montgomery County, Maryland, hereinafter, described in, through, over and across the lands acquired by the Owner from WESTMONT ASSOCIATES by a deed dated November 12, 1986, and recorded among the Land Records of Montgomery County, Maryland in Liber 7393 at Folio 617; as shown on the Description Plat entitled "THE VILLAGES AT TOWER OAKS," attached hereto and made part hereof by this reference and said strip or parcel of land being more particularly described below:

Beginning for the same at an IRON PIPE FOUND at the westerly end of the 5th or North 76°25'16" East, 1,280.02 foot deed line of Part One of the aforesaid conveyance, said line also being the first or North 76°23'00" West, 1,322.14 foot deed line of a conveyance by JOEL KLINE and IRENE KLINE, his wife, GLENN J. GOLDBURN, Trustee and THOMAS J. WALKER, Jr., Trustee to the MAYOR and COUNCIL of ROCKVILLE by a deed dated March 24, 1967 and recorded among said Land Records in Liber 3613 at Folio 621; thence reversely with said first deed line and with said 5th deed line

1. South 76° 26' 37" East, 1140.98 feet, to a point; thence crossing said lands of the owner for the following fourteen (14) courses
2. South 09° 25' 58" West, 120.61 feet, to a point; thence
3. South 18° 31' 55" West, 76.72 feet, to a point; thence
4. South 07° 46' 48" West, 32.24 feet, to a point; thence
5. South 01° 27' 31" East, 99.42 feet, to a point; thence
6. South 18° 09' 50" West, 100.91 feet, to a point; thence
7. South 06° 45' 14" East, 45.25 feet, to a point; thence
8. South 10° 30' 50" West, 30.24 feet, to a point; thence

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THE VILLAGES AT TOWER OAKS (13.5616 ACRE PARCEL)

9. South 23° 10' 47" East, 42.73 feet, to a point; thence
10. South 11° 01' 17" East, 73.01 feet, to a point; thence
11. South 38° 59' 21" West, 137.18 feet, to a point; thence
12. South 86° 29' 43" West, 116.00 feet, to a point; thence
13. North 10° 54' 58" West, 104.82 feet, to a point; thence
14. North 80° 33' 28" West, 74.98 feet, to a point; thence
15. South 81° 17' 53" West, 139.93 feet, to a point on the easterly or South 04° 19' 38" West, 122.66 foot right of way line of TOWER OAKS BOULEVARD, having a variable right of way width, as shown on a plat of subdivision entitled "PLAT TEN, TOWER OAKS BOULEVARD", and recorded among said Land Records in Plat Book 173 at Plat No. 19447; thence with said easterly right of way line for the following five (5) courses
16. North 04° 19' 38" East, 57.30 feet, to an IRON REBAR WITH CAP marked "G&O" found at a point of curvature; thence
17. 301.75 feet along the arc of a curve, deflecting to the left having a radius of 351.00 feet and a chord bearing and distance of North 20° 18' 04" West and 292.55 feet, to an IRON REBAR WITH CAP marked "G&O" found at a point of tangency; thence
18. North 44° 55' 47" West, 58.83 feet, to an IRON REBAR WITH CAP marked "G&O" found at a point of curvature; thence
19. 23.73 feet along the arc of a curve, deflecting to the right having a radius of 33.00 feet and a chord bearing and distance of North 24° 19' 41" West and 23.22 feet, to an IRON REBAR WITH CAP marked "G&O" found at a point of reverse curvature; thence
20. 199.54 feet along the arc of a curve, deflecting to the left having a radius of 72.00 feet and a chord bearing and distance of North 83° 07' 21" West and 141.54 feet, to a point on a curve; thence crossing said lands of the owner for the following three (3) courses
21. North 72° 31' 06" West, 320.27 feet, to a point; thence
22. South 86° 08' 09" West, 68.00 feet, to a point; thence
23. North 75° 06' 32" West, 129.96 feet, to a point on the southerly extension of the easterly right of way line of MONROE STREET, said line also being the southerly extension of the 4th or North 24° 12' 30" East, 265.98 foot deed line of Part One of said conveyance recorded in Liber 7393 at Folio 617; thence with said the southerly extensions and with said easterly right of way line and with said 4th deed line
24. North 24° 11' 20" East, 389.55 feet to a point of beginning containing 590,741 square feet or 13.5616 acres of land.

Subject to any and all other Easements, Rights of Way, and Covenants of record.

EXHIBIT "B"

THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND
RESTRICTIONS

THE VILLAGES AT TOWER OAKS (13.5616 ACRE PARCEL)

SURVEYOR'S CERTIFICATE

I hereby certify to the CITY OF ROCKVILLE and TOWER-DAWSON LIMITED PARTNERSHIP, that to the best of my understanding, knowledge and belief that this Legal Description and the attached Description Plat, entitled "THE VILLAGES AT TOWER OAKS," described part of the lands acquired by TOWER-DAWSON LIMITED PARTNERSHIP, by a deed recorded among the Land Records of Montgomery County, Maryland in Liber 7393 at Folio 617;

That the above described land has been established by a boundary survey performed by Loiederman Associates, Inc. in May, 1995, using available records and without the benefit of a title report.

DATE: 2/15/96


ERIC FORMAN BEATTIE
Registered Property Line Surveyor
Maryland No. 478

**TAX ACCOUNT TABULATION****TOWER OAKS**

TAX ID.	ACCOUNT No.	RECORD REFERENCE
P800	04-201-00148420	PART 1; LIBER 7393 FOLIO 617
P510	04-201-00152524	PART 2; LIBER 7393 FOLIO 617

EXHIBIT "B"

THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND
RESTRICTIONS

Description of the Villages Property

Page 3 of 4

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EXHIBIT "B"

TOWER-DAWSON LTD. PTRSHP.

L.7393 F.617
(STREAM VALLEY PARK)

SCALE: 1" = 150'

"DOGWOOD PARK" CITY OF ROCKVILLE
LIBER 3613 FOLIO 621
PT. 1 L.7393 F.617
L.3613 F.621

MOOTON
PARKWAY

590,741 SF
OR
13.5616 AC.

TOWER-DAWSON
LTD. PTRSHP.
L.7393 F.617
(SWM POND)

$\Delta=49^{\circ}15'25''$
R=351.00
L=301.75
T=160.91
N $20^{\circ}18'04''$ W
292.55

EASTERLY OR 301.75 FOOT
CURVED PLAT LINE:
PB 173 P 19447

BOULEVARD
(VARIABLE WIDTH R/W)
PB 173 P 19447

$\Delta=41^{\circ}12'11''$
R=33.00
L=23.73
T=12.40
N $24^{\circ}19'41''$ W
23.22

$\Delta=158^{\circ}47'30''$
R=72.00
L=199.54
T=384.57
N $83^{\circ}07'21''$ W
141.54

NORTHERLY OR 331.80
FOOT CURVED PLAT LINE
PB 173 P 19447

TOWER OAKS

EASTERLY OR $S44^{\circ}55'47''$ E,
58.83 FOOT PLAT LINE
PB 173 P 19447

LINE DATA

LINE	BEARING	DISTANCE
1	S $09^{\circ}25'58''$ W	120.61
2	S $18^{\circ}31'55''$ W	76.72
3	S $07^{\circ}46'48''$ W	32.24
4	S $01^{\circ}27'31''$ E	99.42
5	S $18^{\circ}09'50''$ W	100.91
6	S $06^{\circ}45'14''$ E	45.25
7	S $10^{\circ}30'50''$ W	30.24
8	S $23^{\circ}10'47''$ E	42.73
9	S $11^{\circ}01'17''$ E	73.01
10	S $38^{\circ}59'21''$ W	137.18
11	S $86^{\circ}29'43''$ W	116.00
12	N $10^{\circ}54'58''$ W	104.82
13	N $80^{\circ}33'28''$ W	74.98
14	S $81^{\circ}17'53''$ W	139.93
15	N $04^{\circ}19'38''$ E	57.30
16	N $44^{\circ}55'47''$ W	58.83

LEGEND

IRF = REBAR & CAP FOUND
IPF = IRON PIPE FOUND

TOWER-DAWSON
LTD. PTRSHP.
L.7393 F.617

DESCRIPTION PLAT
THE VILLAGES AT
TOWER OAKS
PART OF THE LANDS OF
TOWER-DAWSON
LIMITED PARTNERSHIP

(LIBER 7393 FOLIO 617)
CITY OF ROCKVILLE

ROCKVILLE (4TH) ELECTION DISTRICT
MONTGOMERY COUNTY, MARYLAND

SCALE: 1" = 150' FEBRUARY, 1996

POINT OF BEGINNING
& IRON PIPE FOUND

MONROE
STREET

PLAT EIGHTEEN
NEW MARK COMMONS
PB 130 P 10130

EXHIBIT "B"

THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
A DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND
RESTRICTIONS

Description of the Villages Property

Page 4 of 4

N $4^{\circ}11'20''$ E
389.55

4TH OR N $24^{\circ}12'30''$ E
DEED LINE: PT. 1 L.7393 F.617
265.98 FOOT

N $60^{\circ}80'98''$ S
00.89

320.27
N $72^{\circ}31'06''$ W

129.96
N $75^{\circ}06'32''$ W



LOIEDERMAN ASSOCIATES, INC.

CIVIL ENGINEERING * LAND SURVEYING
LAND PLANNING * ENVIRONMENTAL STUDIES

15200 Shady Grove Road
Rockville, Maryland 20850
(301) 948-2750

EXHIBIT "C"

EXHIBIT "C"

THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS

Loiederman Associates, Inc.

February 15, 1996

Project No. 136-06 (136-04 comp)

Description of the Stormwater Management Easement Area

Page 1 of 3

DESCRIPTION OF

**PART OF THE LANDS OF
TOWER-DAWSON LIMITED PARTNERSHIP, owner
LIBER 7393 FOLIO 617**

**PARCEL B, BLOCK A
3.4131 ACRE STORMWATER MANAGEMENT PARCEL**

**TOWER OAKS
(TO BE RECORDED)**

Being a strip or parcel of land, lying within the City of Rockville, Rockville (4th) Election District, Montgomery County, Maryland, hereinafter, described as PARCEL B, as shown on a plat of subdivision to be recorded, entitled, "Parcels A AND B, BLOCK A, TOWER OAKS," prepared by Loiederman Associates, dated May, 1995, and being part of the lands acquired by the Owner from WESTMONT ASSOCIATES, INC. by a deed dated November 12, 1986, recorded among the Land Records of Montgomery County, Maryland in Liber 7393 at Folio 617; and being more particularly described as shown on a Description Plat entitled "PARCEL B, BLOCK A", attached hereto and made part hereof by this reference and as follows;

Beginning of said strip or parcel of land being at the easterly end of the Northerly or South 74°36'20" East, 104.90 foot right of way line of WOOTTON PARKWAY, (Formerly known as Ritchie Parkway) having a variable width, as shown on two (2) plats of subdivision entitled "PLAT TWO, RITCHIE PARKWAY" and "PLAT THREE, RITCHIE PARKWAY." respectively recorded in Plat Book 161 at Plat No.'s 18193 and 18194; thence reversely with said northerly right of way line for the following three (3) courses

1. North 74° 40' 54" West, 104.90 feet, to a point; thence
2. North 85° 40' 22" West, 403.40 feet, to a point; thence
3. North 38° 13' 15" West, 34.78 feet, to a point on the easterly right of way line of TOWER OAKS BOULEVARD, having a variable width, as shown on said Plat Two; thence reversely with said easterly right of way line
4. North 00° 51' 30" East, 24.42 feet, to a point at the southerly end of the South 02°35'30" West, 198.10 foot right of way line of said TOWER OAKS BOULEVARD, as shown on a

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PARCEL B, BLOCK A, TOWER OAKS (3.4131 AC. PARCEL)

plat of subdivision entitled, "PLAT TEN, TOWER OAKS BOULEVARD," recorded among said Land Records in Plat Book 173 at Plat No. 19447; thence reversely with said easterly right of way line for the following two (2) courses

5. North 02° 35' 28" East, 198.10 feet, to a point; thence
6. North 04° 19' 38" East, 65.36 feet, to a point, said point being South 04° 19' 38" West, 57.30 feet from a Rebar and Cap marked "G&O" Found at the point of curvature of said TOWER OAKS BOULEVARD; thence crossing the lands of the owner for the following six (6) courses
7. North 81° 17' 53" East, 139.93 feet, to a point; thence
8. South 80° 33' 28" East, 74.98 feet, to a point; thence
9. South 10° 54' 58" East, 104.82 feet, to a point; thence
10. North 86° 29' 43" East, 116.00 feet, to a point; thence
11. North 38° 59' 21" East, 137.18 feet, to a point; thence
12. South 11° 01' 17" East, 400.00 feet to the point of beginning, containing a total of 148,673 square feet or 3.4131 of an acre of land.


Subject to any and all Easements, Rights of Way, and Covenants of record.

SURVEYOR'S CERTIFICATE

I hereby certify to the CITY OF ROCKVILLE and TOWER-DAWSON LIMITED PARTNERSHIP, that to the best of my understanding, knowledge and belief that this Legal Description and the attached Description Plat, entitled "PARCEL B, BLOCK A," described part of the lands acquired by TOWER-DAWSON LIMITED PARTNERSHIP, by a deed recorded among the Land Records of Montgomery County, Maryland in Liber 7393 at Folio 617;

That the above described land has been established by a boundary survey performed by Loiederman Associates, Inc. in May, 1995, using available records and without the benefit of a title report.

DATE: 2/19/96


ERIC FORMAN BEATTIE
Registered Property Line Surveyor
Maryland No. 478



TAX ACCOUNT TABULATION

PARCEL ID.	ACCOUNT No.	ADDRESS
P800	04-201-00148420	PART 1; LIBER 7393 FOLIO 617
P510	04-201-00152524	PART 2; LIBER 7393 FOLIO 617

EXHIBIT "C"

THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS

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PAGE 2 OF 2

Description of the Stormwater Management Easement Area

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EXHIBIT "C"

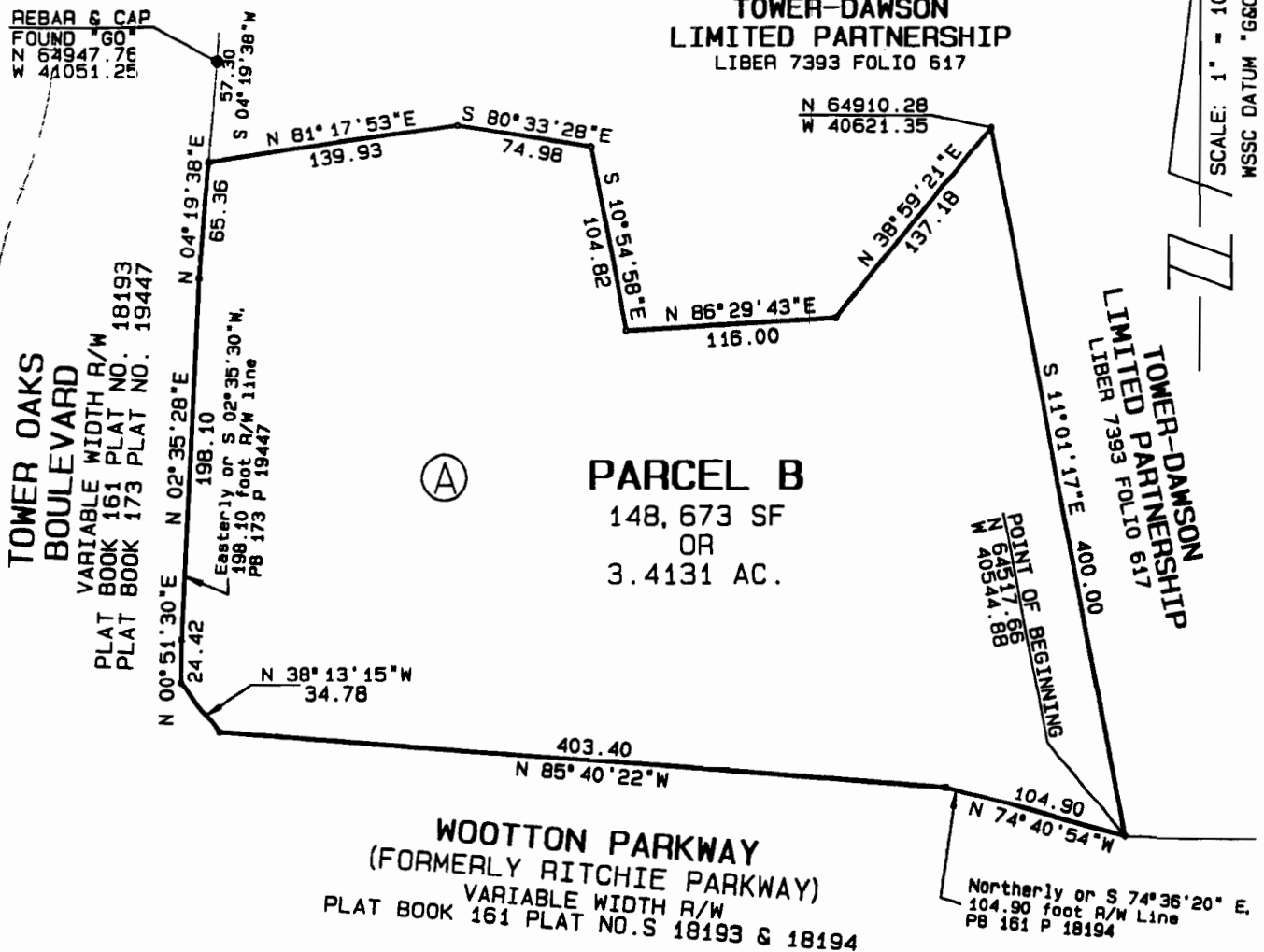


EXHIBIT "C"

THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS

Description of the Stormwater Management Easement Area

Page 3 of 3

DESCRIPTION PLAT
PARCEL B, BLOCK A
TOWER OAKS
PART OF THE LANDS OF
TOWER-DAWSON LIMITED PARTNERSHIP

(LIBER 7393 FOLIO 617)

CITY OF ROCKVILLE

ROCKVILLE (4TH) ELECTION DISTRICT

MONTGOMERY COUNTY, MARYLAND

SCALE: 1" = 100' DECEMBER, 1995



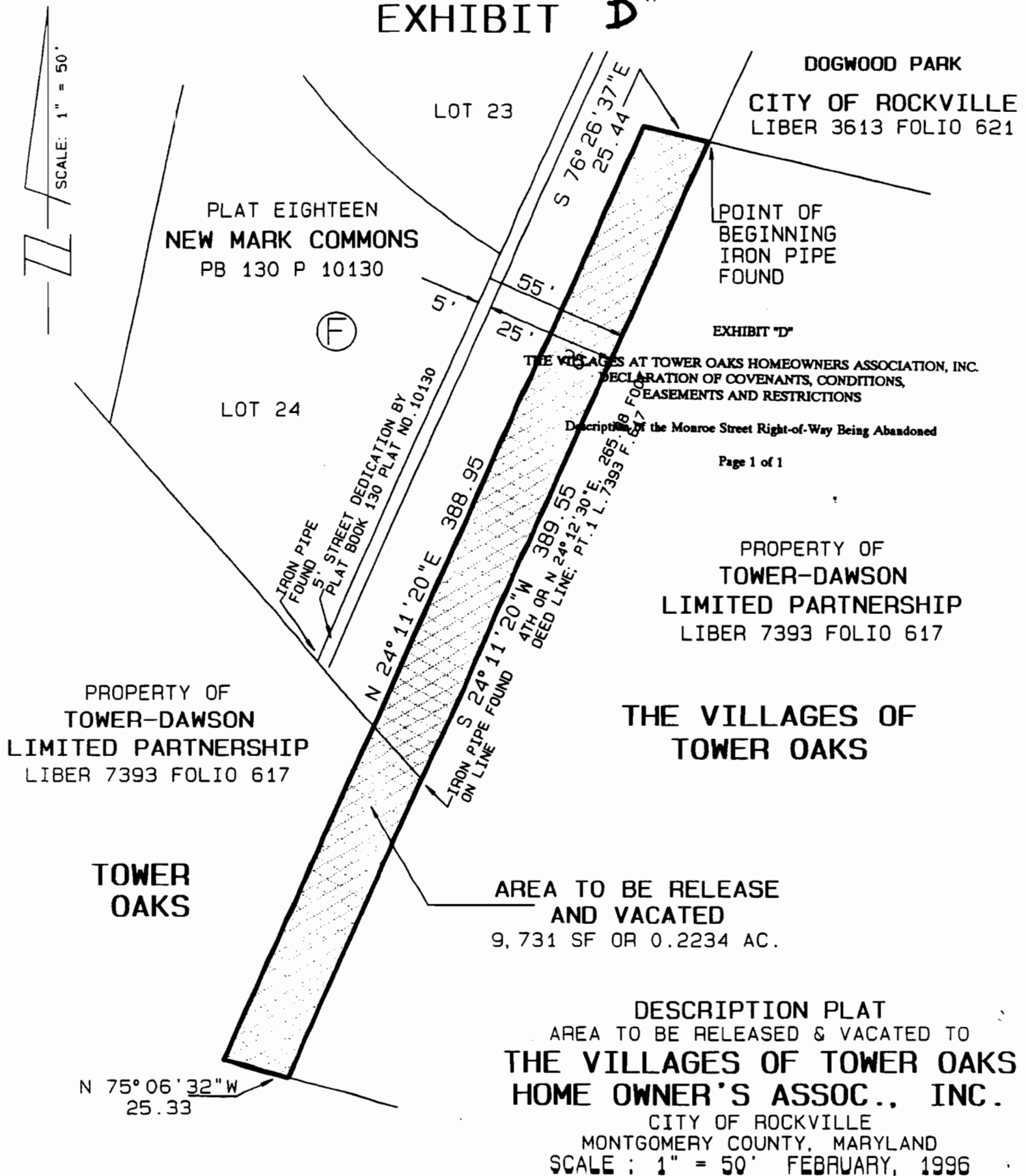
LOIEDERMAN ASSOCIATES, INC.

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LAND PLANNING * ENVIRONMENTAL STUDIES

15200 Shady Grove Road
Rockville, Maryland 20850
(301) 948-2750

0013964 L76

EXHIBIT "D"



LOIEDERMAN ASSOCIATES, INC.

CIVIL ENGINEERING * LAND SURVEYING
LAND PLANNING * ENVIRONMENTAL STUDIES15200 Shady Grove Road
Rockville, Maryland 20850
(301) 948-2750

EXHIBIT "E"

Loiederman Associates, Inc.
February 19, 1996
Project No. 136-06 (136-04 comp)

DESCRIPTION OF

**EASEMENTS & RIGHTS OF WAY FOR STORM DRAINAGE
ACROSS PART OF THE LANDS OF
TOWER-DAWSON LIMITED PARTNERSHIP, (OWNER)
(LIBER 7393 FOLIO 617)
LOTS 1 THRU 6, 10, 11, 32, 38, 47 THRU 51, 63, 65 THRU 68, 73 THRU 85, 99, 100,
108 THRU 110, 119 AND 124, BLOCK A
TOWER OAKS**

Being a fifteen (15) strips or parcels of land, lying within the Rockville (4th) Election District, Montgomery County, Maryland, hereinafter, described in, through, over and across the lands acquired by the Owner from WESTMONT ASSOCIATES by a deed dated November 12, 1986, and recorded among the Land Records of Montgomery County, Maryland in Liber 7393 at Folio 617; and being more particularly described as shown on three (3) Easement Plats labeled Exhibits "A", "B" and "C" attached hereto and made part hereof by this reference; containing a total of 4,317 square feet or 0.0991 of an acre of land.

Subject to any and all other Easements, Rights of Way, and Covenants of record.

TAX ACCOUNT TABULATION

TAX ID.	ACCOUNT No.	RECORD REFERENCE
P800	04-201-00148420	PART 1; LIBER 7393 FOLIO 617
P510	04-201-00152524	PART 2; LIBER 7393 FOLIO 617

EXHIBIT "E"

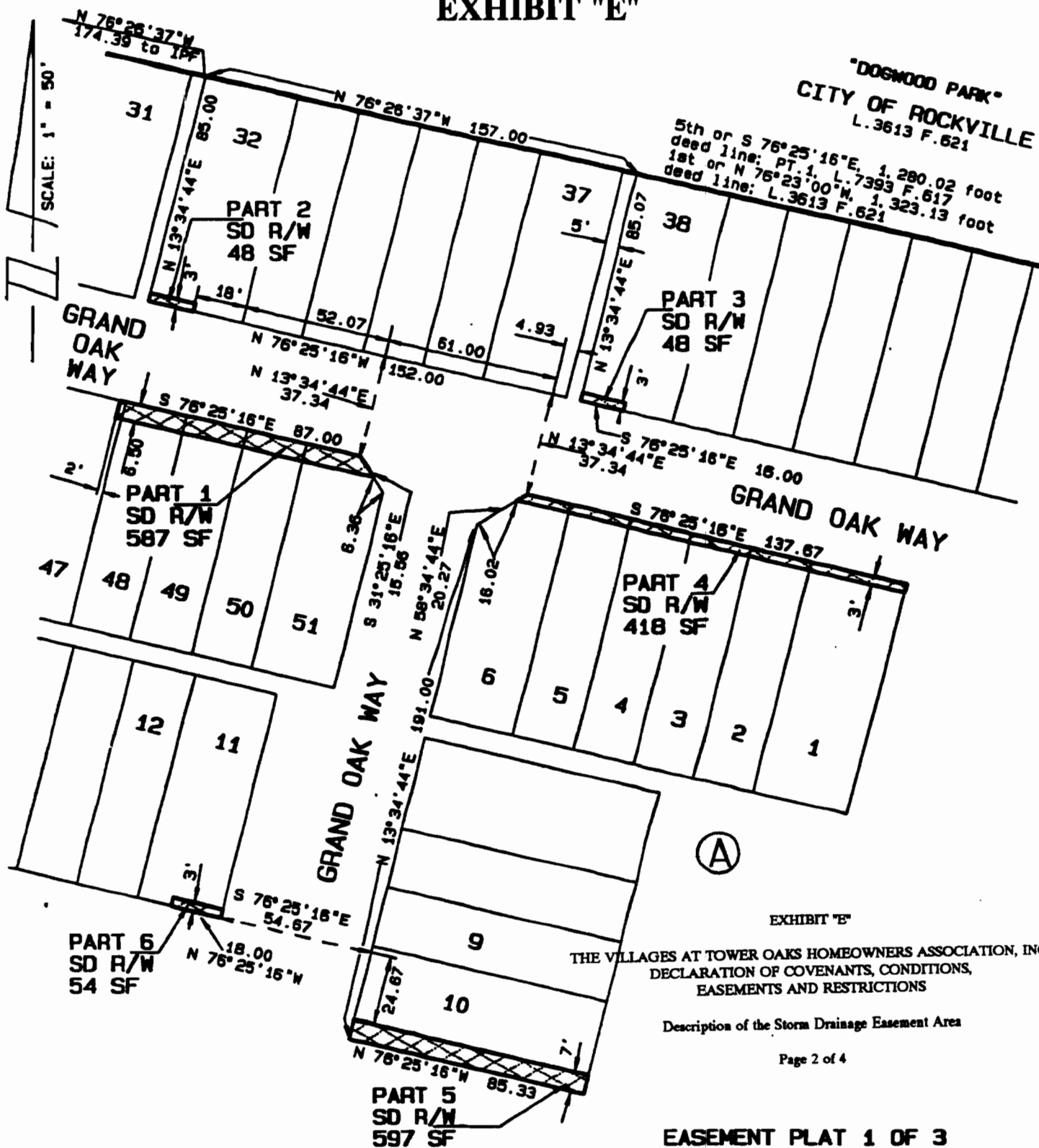
THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS

Description of the Storm Drainage Easement Areas

Page 1 of 4

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EXHIBIT "E"

SD R/W - EASEMENT & RIGHT OF WAY
FOR STORM DRAINAGE

LOIEDERMAN ASSOCIATES, INC.

**CIVIL ENGINEERING * LAND SURVEYING
LAND PLANNING * ENVIRONMENTAL STUDIES**

15200 Shady Grove Road
Rockville, Maryland 20850
(301) 948-2750

**EASEMENT PLAT 1 OF 3
EASEMENTS & RIGHTS OF WAY FOR
STORM DRAINAGE
TOWER-DAWSON LTD. PTRSHP.
(LIBER 7393 FOLIO 617)**

TOWER OAKS

CITY OF ROCKVILLE
ROCKVILLE (4TH) ELECTION DISTRICT
MONTGOMERY COUNTY, MARYLAND

SCALE : 1" = 50' JANUARY, 1996

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EXHIBIT "E"

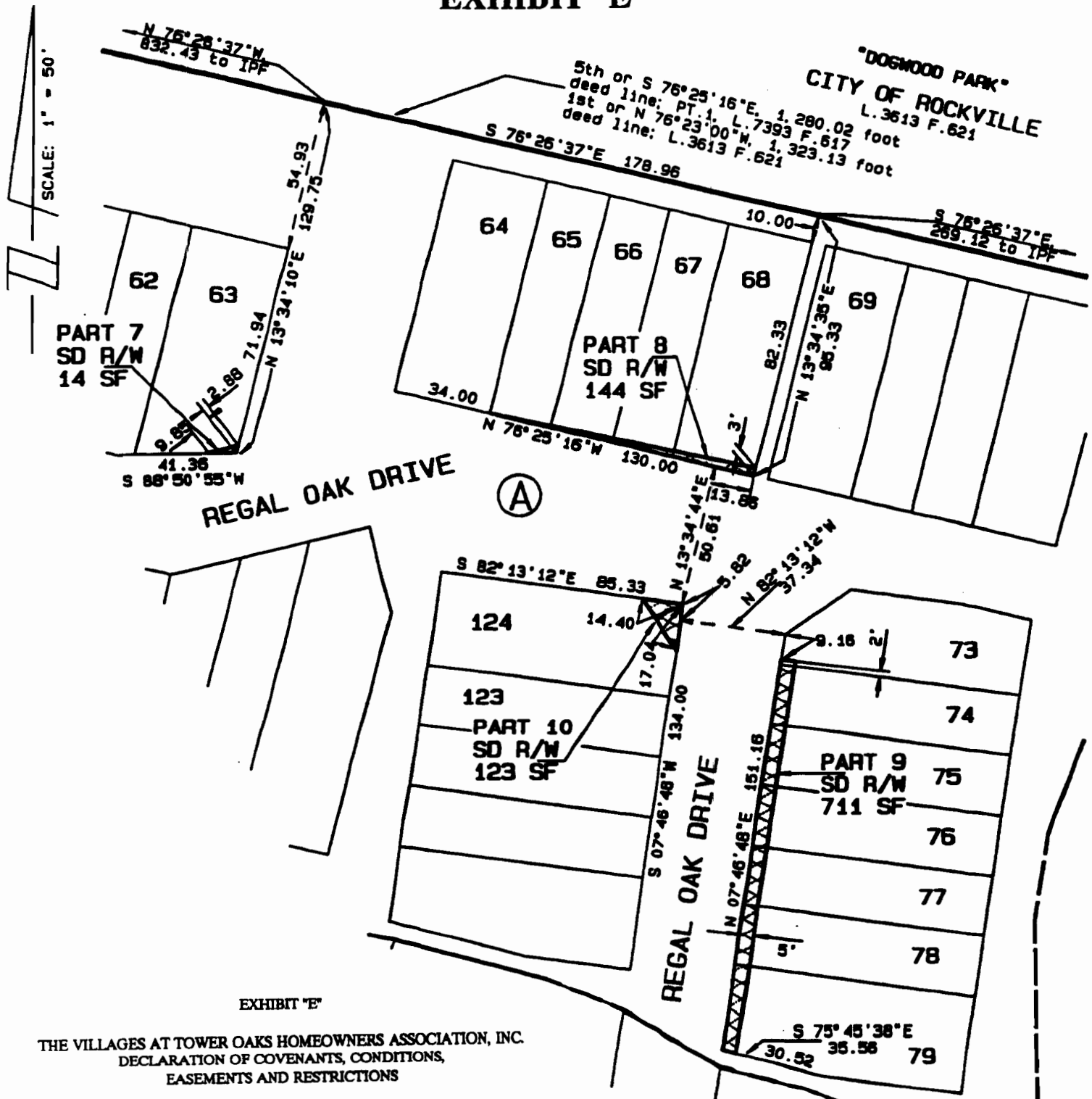


EXHIBIT "E"

**THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS**

Description of the Storm Drainage Easement Area

Page 3 of 4

SO R/W - EASEMENT & RIGHT OF WAY
FOR STORM DRAINAGE

**EASEMENT PLAT 2 OF 3
EASEMENTS & RIGHTS OF WAY FOR
STORM DRAINAGE**

TOWER-DAWSON LTD. PTRSHP.
(LIBER 7393 FOLIO 617)

TOWER OAKS

CITY OF ROCKVILLE
ROCKVILLE (4TH) ELECTION DISTRICT
MONTGOMERY COUNTY, MARYLAND

SCALE : 1" = 50'

JANUARY, 1996

**LOIEDERMAN ASSOCIATES, INC.**

**CIVIL ENGINEERING * LAND SURVEYING
LAND PLANNING * ENVIRONMENTAL STUDIES**

15200 Shady Grove Road
Rockville, Maryland 20850
(301) 948-2750

EXHIBIT "E"

TOWER OAKS BOULEVARD
VARIABLE WIDTH R/W
PB 173 P 19447

Easterly or 301.75 foot curved
plat line: PB 173 P 19447
R=351.00 A=171.46



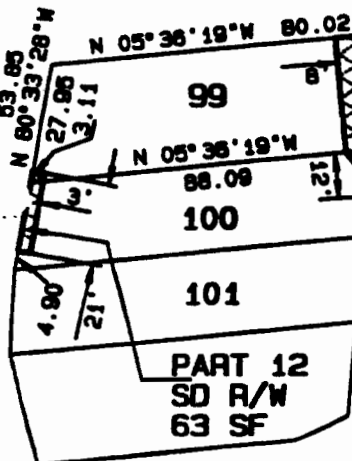
REGAL
OAK DR.

WILD OAK
TERRACE

PART 14
SD R/W
330 SF

TREASURE
OAK COURT

(A)



PART 13
SD R/W
288 SF

TREASURE
OAK COURT

REGAL OAK DRIVE

PART 15
SD R/W
48 SF

PART 11
SD R/W
844 SF

EASEMENT PLAT 3 OF 3
EASEMENTS & RIGHTS OF WAY FOR
STORM DRAINAGE

TOWER-DAWSON LTD. PTRSHP.
(LIBER 7393 FOLIO 617)

TOWER OAKS

CITY OF ROCKVILLE
ROCKVILLE (4TH) ELECTION DISTRICT
MONTGOMERY COUNTY, MARYLAND

SCALE : 1" = 50' JANUARY, 1996

EXHIBIT "E"

THE VILLAGES AT TOWER OAKS HOMEOWNERS ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS

Description of the Storm Drainage Easement Area

Page 4 of 4

SD R/W = EASEMENT & RIGHT OF WAY
FOR STORM DRAINAGE

LOIEDERMAN ASSOCIATES, INC.
CIVIL ENGINEERING * LAND SURVEYING
LAND PLANNING * ENVIRONMENTAL STUDIES
15200 Shady Grove Road
Rockville, Maryland 20850
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