

Recorded Liber 17059, folio 080

CERTIFIED TRUE COPY

BY: mgfr

ASSIGNMENT OF DECLARANT'S RIGHTS

THIS ASSIGNMENT OF DECLARANT'S RIGHTS ("Assignment") is made this 22<sup>ND</sup> day of April, 1999, by and between GREAT FALLS ROAD L.L.C., a Maryland Limited Liability Company ("Assignor"), and BEAZER HOMES CORP., a Tennessee corporation ("Assignee").

R E C I T A L S

A. Assignor is the "Declarant" pursuant to that certain "Declaration of Covenants, Conditions and Restrictions Rose Hill Homeowners Association, Inc." recorded among the Land Records of Montgomery County, Maryland ("Land Records") hereinafter referred to as the "Declaration", which term shall include any and all subsequent corrections, modifications and supplements thereof as may be recorded prior hereto among the Land Records). A copy of the Declaration is attached hereto and made a part hereof as Exhibit A.

B. Article I, Section 9 of the Declaration generally defines the term "Declarant" as meaning and referring to Assignor and any successors and assigns to whom Declarant shall in writing, specifically convey or otherwise transfer any or all of the special rights, title reservations, easements, interests, exemptions, privileges and powers of the Declarant under the Declaration.

C. Assignee is a contract purchaser of a portion of the property that is subject to the Declaration (the "Assignee Property").

D. The Assignor desires to assign to the Assignee, and the Assignee desires to accept all of Assignor's special rights, title reservations, easements, interests, exemptions, privileges and power as Declarant under the Declaration with respect to all of the property that is subject to the Declaration (the "Property") which Property is more fully described in Exhibit A attached to the Declaration and made a part hereof by reference thereto.

NOW, THEREFORE, in consideration of the foregoing recitals, each of which are incorporated in and made a substantive part of this Assignment, and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. The Assignor hereby grants and assigns to the Assignee any and all special rights, title reservations, easements, interests, exemptions, privileges and powers of the Declarant under the Declaration.

2. Assignor shall not assume or be responsible for any liabilities, warranties or obligations which have or may accrue to Assignee under the Declaration or pursuant to law in connection with Assignee's role as Declarant pursuant to the Declaration as of the date of this Assignment.

3. Assignee shall defend, indemnify and hold Assignor harmless from any and all liability, cost and expense arising out of or associated with Assignee's role as Declarant pursuant to the Declaration as of the date of this Assignment.

4. Assignor shall not assume or be responsible for any liabilities, warranties or obligations which have or may accrue to Assignor under the Declaration or pursuant to law in connection with Assignor's role as Declarant pursuant to the Declaration at any time prior to the date of this Assignment.

5. Assignor shall defend, indemnify and hold Assignee harmless from any and all liability, cost and expense arising out of or associated with Assignor's role as Declarant pursuant to the Declaration at any time prior to the date of this Assignment.

6. In the event that any of the provisions of this Assignment shall be deemed unenforceable or invalid for any reason, the remaining terms and provisions hereof shall remain in full force and effect. This Assignment shall be construed in accordance with the laws of the State of Maryland, and shall be effective upon recordation among the Land Records. This Assignment shall be binding upon and inure to the benefit of Assignor, Assignee and their respective successors, transferees and assigns.

7. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

8. Except as defined in this Assignment, all capitalized terms used herein shall have the same meanings as are set forth for them in the Declaration.

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the day and year first written above.

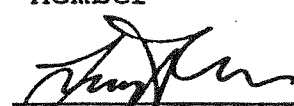
WITNESS/ATTEST:

ASSIGNOR:

GREAT FALLS ROAD L.L.C.,  
A Maryland Limited Liability Company

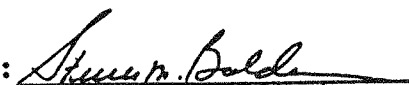
BY: ROSE HILL LOT OPTION, LLC  
a Maryland Limited Liability  
Member

By: HEARTHSTONE,  
A California Corporation  
Manager  
Member

By:   
Name: Tracy T. Carver  
Title: Senior Vice President

BY: PENROSE-CL ASSOCIATES, LLC,  
A Delaware Limited Liability Company  
Member

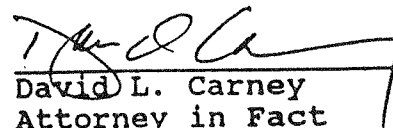
By: WL HOMES, LLC,  
A Delaware Limited  
Liability Company d/b/a  
John Laing Homes -  
Washington Division  
Member

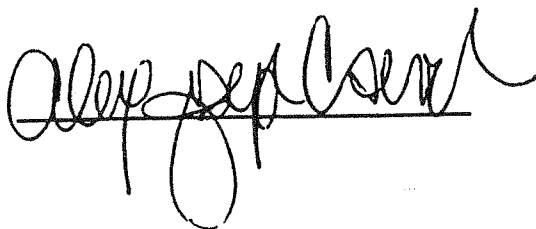
By:   
Steven M. Baldwin  
Authorized Person/Division  
President

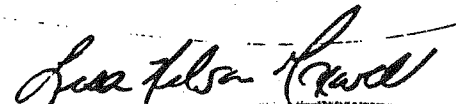
WITNESS/ATTEST:

ASSIGNEE:

BEAZER HOMES CORP.  
a Tennessee corporation

By:   
David L. Carney  
Attorney in Fact  
Liber 16578 Folio 098

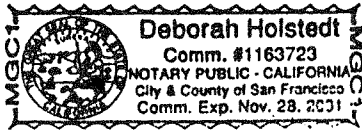


  
Lisa Nelson Maxwell  
Assoc. Senior Counsel

STATE OF CALIFORNIA, COUNTY OF SAN FRANCISCO :

I HEREBY CERTIFY That on this 21st day of April, 1999, before me, a Notary Public in and for the State and County aforesaid, personally appeared TRACY T. CARVER, who acknowledged himself to be the SENIOR VICE PRESIDENT of Hearthstone, a California Corporation Manager (the "Corporation") and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself as such officer and certified that this conveyance is not part of a transaction in which there is a sale, lease, exchange or other transfer of all or substantially all of the property and assets of the Corporation.

WITNESS my Hand and Notarial Seal.



*Deborah Holstedt*

Notary Public

My Commission Expires:

11/28/01

STATE OF Maryland, COUNTY OF Montgomery :

I HEREBY CERTIFY That on this 22 day of April, 1999, before me, a Notary Public in and for the State and County aforesaid, personally appeared Steven M. Baldwin, who acknowledged himself to be the authorized person of WL HOMES, LLC, a Delaware Limited Liability Company (the "LLC") and that he, as such person, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the LLC by himself as such person and certified that this conveyance is not part of a transaction in which there is a sale, lease, exchange or other transfer of all or substantially all of the property and assets of the LLC.

WITNESS my hand and Notarial Seal.

*Stephen Lero Fritz*

Notary Public

My Commission Expires:

9/10/2002

**STEPHEN LEROY FRITZ**  
**NOTARY PUBLIC STATE OF MARYLAND**  
My Commission Expires September 10, 2002

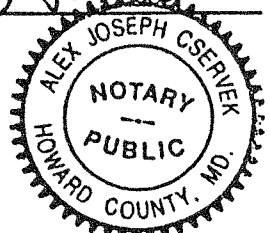
STATE OF MARYLAND, COUNTY OF HOWARD,

On this 22<sup>ND</sup> day of APRIL, 1999, before me, a Notary Public in and for the State and County aforesaid, personally appeared David L. Carney, known to me (or satisfactorily proven) to be the person whose name is subscribed as attorney-in-fact for Beazer Homes Corp., a Tennessee corporation (the "Corporation") and acknowledged that he executed the same as the act of his principal for the purposes therein contained and certified that this conveyance is not part of a transaction in which there is a sale, lease, exchange, or other transfer of all or substantially all of the property and assets of the Corporation.

In witness whereof I hereunto set my hand and official seal.

Alex Joseph Csernek  
Notary Public

My Commission Expires: 05/01/2000



ATTORNEY'S CERTIFICATION

This instrument has been prepared by or under the supervision of the undersigned Maryland attorney or by one of the parties named in this instrument.

Russell D. Karpook  
Russell D. Karpook

POST RECORDING, PLEASE RETURN TO:

Russell D. Karpook, Esquire  
Francomano & Karpook, P.A.  
20 S. Charles Street, 8<sup>th</sup> Floor  
Sun Life Building  
Baltimore, Maryland 21201-3217

**FIRST AMENDMENT TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS ROSE HILL HOMEOWNERS ASSOCIATION, INC.**

THIS FIRST AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, made this 4<sup>th</sup> day of November, 1999, by Beazer Homes Corp, a Tennessee Corporation (hereinafter referred to as "Declarant");

**RECITALS**

A. Great Falls Road, L.L.C., a Maryland Limited Liability Company, made, executed and caused to be recorded a "Declaration of Covenants, Conditions and Restrictions Rose Hill Homeowners Association, Inc." (hereinafter called the "Declaration") dated the 22<sup>nd</sup> day of April, 1999, and recorded among the Land Records of Montgomery County, Maryland in Liber 17054, Folio 017.

B. Great Falls Road, L.L.C., executed and caused to be recorded an "Assignment of Declarants' Rights" dated April 22, 1999, and recorded among the Land Records of Montgomery County, Maryland in Liber 17054, Folio 080, assigning all of its rights, title, reservations, easements, interest, exemptions, privileges and power as Declarant under the Declaration with respect to all of the property that is subject to the Declaration to Declarant.

C. Pursuant to Section 10.8 of the Declaration, 100% of the Owners, consented to this First Amendment as evidenced by their signatures affixed hereto.

D. Pursuant to Section 10.11 of the Declaration the City of Rockville has consented to this First Amendment as evidenced by its signature affixed hereto.

NOW, THEREFORE, Declarant hereby states and declares as follows:

1. Section 3.3.1 is amended by deleting said Section in its entirety and inserting in lieu thereof the following:

"3.3.1. Until January 1<sup>st</sup> of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Eight Hundred Dollars (\$800.00) per Lot; provided, however, that any Lot owned by Declarant, Rose Hill Lot Option, LLC and/or John Laing Homes at Rose Hill, LLC, f/k/a Penrose-CL Associates, LLC (hereinafter collectively "Developer/Owners") shall not be subject to annual assessments and/or any special assessments applicable to Lots not owned by a Developer/Owner. Notwithstanding the foregoing, the Developer/Owners shall pay full annual and special assessments for Lots owned by any Developer/Owner upon which a dwelling unit has been completed and is occupied by a party other than a Developer/Owner."

2. Section 3.3.2 is amended by deleting said Section in its entirety and inserting in lieu thereof the following:

"3.3.2. Notwithstanding any provision contained in this Declaration to the contrary, the Developer/Owners hereby covenant and agree for the benefit of the Class A Members to pay any and all expenses incurred by the Association during the "Deficit Period" (as such term is hereinafter defined) in furtherance of the Association's purposes to the extent that the annual and specific assessments levied during the Deficit Period are insufficient to pay such expenses, provided, however, that at such time as any Developer/Owner has paid what would equal one hundred percent (100%) of the annual and special assessments for its Lots had any Developer/Owner not been exempted from the payment of assessments during any annual period, then any Developer/Owner shall only be obligated to pay any further assessments during that annual period in an amount equal to what would have become due for its Lots had they not been owned by a Developer/Owner. Each Developer/Owner is responsible for and shall pay that percentage of any Deficit equal to the percentage of Lots owned by each Developer/Owner in relation to the total number of Lots in the Association. As used herein, the term "Deficit Period" shall mean that period of time commencing on the date of recordation of this Declaration and ending on the earlier of (i) the date on which the Class B membership lapses and becomes a nullity in accordance with the provisions of this Declaration; or (ii) the date upon which any Developer/Owner, in writing and recorded among the Land Records of Montgomery County, Maryland, declares that it (from the date specified in such recorded writing) waives its right not to pay any assessments on Lots owned by any Developer/Owner in accordance with this Section 3.1. Any Developer/Owner may make such declaration with respect to less than all of the Lots owned by any Developer/Owner, or to be brought within the jurisdiction of the Association, in which event the Deficit Period shall terminate only with respect to those Lots specifically described. Any deficit required hereunder to be paid by any Developer/Owner shall be payable and collectible in the same manner as any other assessments required to be paid to the Association."

3. Section 3.6 of the Declaration is hereby amended by deleting therefrom the following last three (3) words "Section 3.1.1 hereof." and, by inserting in lieu thereof the following:

"Section 3.3.1 hereof."

4. Section 6.1 is amended in deleting said Section in its entirety and inserting in lieu thereof the following:

"6.1 Use Restrictions. The following shall be restrictions on the use of the Property and such restrictions shall run with and bind the land:

6.1.1 Activities. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may become a nuisance to the public.

6.1.2 Animals. The maintenance, keeping, boarding or raising of animals, livestock, poultry or reptiles of any kind regardless of number, is prohibited on any Lot, except that the keeping of guide animals and orderly domestic pets (e.g., dogs, cats or caged birds) without the approval of the Board is permitted subject to the Rules and Regulations adopted by the Board; **provided, however**, that such pets are not kept or maintained for commercial purposes or for breeding; and provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise may be permanently removed from the Property upon ten (10) days written notice from the Board. Any Owner who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, each Owner and the Declarant harmless from any loss, claim or liability of any kind or character or whatever arising by reason of keeping or maintaining such pet within the Property. All pets which may leave the Lot shall be inoculated as required by law.

6.1.3 Barbeque Equipment. Barbeque equipment, grills, gas grills, and portable patio fireplaces shall be stored out of public view when not in use. Any permanent barbeque grill or outdoor fireplace shall meet all applicable safety codes and be integrated with the design of the patio, deck or landscape and screened from public view. No permanent barbeque grill or outdoor fireplace shall be constructed without written approval of the ACC.

6.1.4. Boats, Automobiles and Other Vehicles. Except in connection with temporary construction activities, no boats or cradles, trailers, campers, mobile homes, recreational vehicles over one (1) ton gross vehicle weight, or unlicensed, abandoned, inoperable, or junked vehicles may be parked in streets, driveways, yards, or parking areas for more than twenty-four (24) hours, nor shall extraordinary repair or maintenance of automobiles or other vehicles be performed in said areas. The Association may designate, but is not required to so designate, a specific area for such parking and/or repairs.

6.1.5 Clothes Lines. No clothing or any other household laundry shall be hung in the open to dry on any Lot unless hung from a device that is removed from view when not actually in use. Permanent clothes lines are prohibited.

6.1.6 Fences. Except for any fence installed by the Declarant or by the Association, no fence shall be installed except with the written approval of the ACC. Moreover, construction of any fence in the Landscape Buffer Easement area shall not cause the removal of any healthy tree in excess of two (2) inch caliper DBH.

6.1.7 Flagpoles. Flagpoles are not permitted on residential lots. Up to two (2) flags at a time may be displayed on flag staffs attached to a residence. Proper flag etiquette must be observed.

6.1.8 Hazardous Materials. No hazardous material (except those that are ordinarily found and/or used in dwellings for acceptable purposes) shall be used or stored on any Lot. This shall include the following: (1) any "hazardous waste" as defined by the Resource Conservation



and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder; (2) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and regulations promulgated hereunder; (3) any substance the presence of which on the Property is prohibited by any Federal, State, County or local law or ordinance regulating toxic or hazardous wastes or substances; (4) any toxic or hazardous substances or materials, whether products or wastes, including, without limitation, asbestos or PCB's; and (5) "oil, petroleum products and their by-products", as defined by any Federal, State, County or local law, ordinance, regulation or requirement applicable to the Lot, or any portion thereof, as amended from time to time (e.g., Maryland Natural Resources Code Ann. Section 8-1411[a][3], as amended). (All of the foregoing collectively are referred to herein as "Hazardous Materials.")

6.1.9 Lot Maintenance. Each Lot (including the yard and the improvements contained thereon) must be regularly maintained and repaired, and kept in a neat, clean and sanitary condition. All grass, and shrubbery on any Lot must be regularly cut or trimmed. All grass, except where otherwise prohibited by governmental regulation, shall be maintained at a maximum height of four (4) inches and shall be as weed free as good environmental practice shall permit. No boxes, bottles, cans, leaves, bedding, building materials, garbage, trash, tires, appliances or other unsightly debris may be left outside on the Lot. Except for lawn furniture used on a Lot and firewood for the personal use of an Owner (either of which must be stored in the rear of a Lot), nothing may be stored outside or on a patio.

6.1.10 Mailboxes and Newspaper Tubes. Mailbox design, structure, supports and locations shall be uniform in accordance with design criteria designed by the Board.

6.1.11 Mining. No Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth except with the prior written approval of the Board.

6.1.12 Pipes. No water pipe, gas pipe, sewer pipe or drainage pipe shall be installed or maintained on any Lot above the surface of the ground, except garden hoses.

6.1.13 Planting. No planting (other than flowers and small bushes that do not and will not exceed three (3) feet in height) or digging may take place anywhere within or upon any Lot or elsewhere on the Property without the express written authorization of the ACC. [NOTE: The Property contains underground electrical, sewer, water and other utility lines].

6.1.14 Play Equipment. All play equipment shall be screened from public view and is permitted in rear of Lots only.

6.1.15 Private Swimming Pool. No above ground private swimming pools of any type shall be permitted. No in ground swimming pools, hot tubs, spas or jacuzzis of any type shall be permitted without prior approval of the ACC.

6.1.16 Radio Antenna. No radio antenna shall be erected, unless allowed by law.

6.1.17 Signs. No sign of any kind, other than those of the Declarant, or its designated agent, or which shall have the specific approval of the Declarant during the period of construction and sales of the residential units being constructed upon the Property, shall be displayed in public view on any Lot except that one sign of not more than four (4) square feet advertising the Lot for sale or rent will be permitted.

6.1.18 Single Family Dwelling Use. None of the Lots shall be used for any purpose other than for a one family, non-commercial and non-industrial, residential Dwelling use except as provided for hereinafter in Section 6.8 and except that any part of any Dwelling may, with the prior written approval of the Board and the ACC, which approval may be withheld at the sole and subjective discretion of the Board and the ACC, be used for non-residential purposes (including but not limited to accounting, dentistry, law, medicine and the like) provided such use complies with all laws, rules, regulations, and/or ordinances and provided further that such activity does not involve the regular employment, with or without salary, of more than one (1) other person who is not a resident family member, and provided further that such activity does not involve offensive, disagreeable or noxious sounds, noises, odors or smells, or any unusual congestion of clients, patients, patrons or customers outside the residential improvements, detrimental to the peaceful use and quiet enjoyment of the other residential properties in its vicinity.

6.1.19 Storage Buildings/Sheds and Accessory Structures. Gazebos, pergolas, trellises, sheds, decks and green houses are permitted in rear of lots only and shall be complimentary to the design of the dwelling. No metal outside storage buildings or Sheds shall be permitted. Gazebos, pergolas, trellises, sheds, decks and green houses shall not be permitted unless approved in writing by the ACC and then subject to the condition that if said structure is used for storage it is used only by the resident of such Lot, and used only for storage of household and lawn maintenance items.

6.1.20 Storage Tanks. No storage tanks of any kind shall be placed or maintained within or upon any Lot except at such locations and in such manner as approved by the ACC.

6.1.21 Subdivision. No Lot shall be split, divided, or subdivided for sale, resale, gift, transfer or otherwise.

6.1.22 Transmission Facilities. No facilities, including poles and wires, for the transmission of electricity, telephone messages and the like shall be placed or maintained above the surface of the ground on any Lot, and no external or outside antennas of any kind shall be maintained, unless allowed by law.

6.1.23 Trash. (i) Except in connection with temporary construction activities, no lumber, metals, bulk materials, garbage, refuse or trash shall be kept, stored or allowed to

accumulate on any Lot (other than in an approved structure); (ii) No Lot shall be used or maintained as a dumping ground for any material; (iii) Trash, garbage or other waste shall not be kept on any Lot except in sanitary containers. All equipment and containers for the storage or disposal of such material shall be kept in a good, clean and sanitary condition; (iv) During construction of any improvements on the Property, the Owner shall keep any construction site free of unsightly accumulations of rubbish and scrap materials, and construction materials, trailers, shacks and the like employed in connection with such construction shall be kept in a neat and orderly manner; (v) If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open on any day that a pickup is to be made, at such place on the Lot so as to provide access to Persons making such pickup. At all other times, such containers shall be stored in such a manner so that they cannot be seen from adjacent and surrounding Property; (vi) Trash, garbage or other waste shall not be kept on any Lot except in sanitary containers and such shall not be visible from the streets. All containers or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. If a central trash collection area is designated, the Association may regulate the use of such trash enclosures; and (vii) The ACC, in its discretion, may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same on the Property.

6.1.24 Trees. No trees or bushes of any kind shall be removed from any Lot, Public Right-of-Way, or Tree Save Area without the express written authorization of the ACC and of the Rockville City Forester or other entity of the City responsible for the approval of the removal of trees or other plantings. All trees on Lots, or the Public Rights-of-Way adjacent to any Lot, shall be properly maintained by the Owner of said Lot.

6.1.25 Truck Parking. Except in connection with temporary construction activities, no trucks of a capacity of one ton or more, or commercial vehicles or trucks that have racks or advertisement, or buses, shall be regularly parked on the Property.

6.1.26 T.V. Outside television antennas and satellite dishes are permitted only as provided by law, and the specific placement of any such device requires prior authorization by the ACC.

6.1.27 Utilities. All electric service, telephone service, cable T.V., and other utilities on the Property shall be supplied by underground service and no poles shall be permitted without written authorization of the ACC. Transformers and other facilities installed by the utility companies may be above ground, if necessary.

5. Section 7.6 is amended by deleting said Section in its entirety and inserting in lieu thereof the following:

"Section 7.6 - Conservation Easement. The removal or pruning of healthy trees on the property is prohibited. Further, there shall be several 'Tree Safe Areas' in which no

cutting or pruning of trees shall take place without the written permission of the Rockville City Forestry."

6. All terms used herein shall have the meanings specified in the Declaration.

7. Except as herein and heretofore amended, the Declaration shall be and remain in accordance with its original terms.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal the day and year first above written.

ATTEST:

BEAZER HOMES CORP., A Tennessee Corporation

Lauren Niska

Brooks R. Palmer (SEAL)

Attorney-In-Fact

Liber 16578

Folio 098

STATE OF MARYLAND, COUNTY OF Anne Arundel

On this 4th day of November, 1999, before me, a Notary Public in and for the State and County aforesaid, personally appeared Brooks R. Palmer known to me (or satisfactorily proven) to be the person whose name is subscribed as attorney-in-fact for Beazer Homes Corp., a Tennessee corporation (the "Corporation") and acknowledged that he executed the same as the act of his principal for the purposes therein contained and certified that this conveyance is not part of a transaction in which there is a sale, lease, exchange, or other transfer of all or substantially all of the property and assets of the Corporation.

WITNESS my hand and Notarial Seal.

Julia Lee Miller  
Notary Public

JULIA LEE MILLER  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires April 13, 2003

My Commission Expires: \_\_\_\_\_

CONSENTS  
OWNERS

Penrose-CL Associates, L.L.C., a Delaware Limited Liability Corporation, Rose Hill Lot Option, L.L.C., a Maryland Limited Liability Company, and Rose Hill Homeowners Association, Inc., A Maryland Corporation, as Owners of all of the Lots subject to the Declaration hereby consent to the terms and conditions of this First Amendment to the Declaration and consent to the recordation of this First Amendment to the Declaration in the Land Records of Montgomery County, Maryland.

ROSE HILL LOT OPTION, L.L.C., A Maryland Limited Liability Company

BY: HEARTHSTONE, A California Corporation  
Manager  
Member

BY: [Signature] (SEAL)  
Name: TRACY T. CARVER  
Title: Senior Vice President - General Counsel

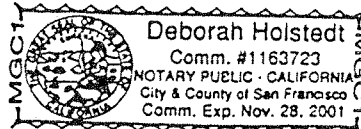
STATE OF CALIFORNIA, COUNTY OF SAN FRANCISCO:

I HEREBY CERTIFY That on this 6<sup>th</sup> day of October, 1999, before me, a Notary Public in and for the State and County aforesaid, personally appeared TRACY T. CARVER, who acknowledged himself to be the \_\_\_\_\_ of Hearthstone, a California Corporation Manager (the "Corporation") and that he/she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself/herself as such officer and certified that this conveyance is not part of a transaction in which there is a sale, lease, exchange or other transfer of all or substantially all of the property and assets of the Corporation.

WITNESS my hand and Notarial Seal.

[Signature]  
Notary Public

My Commission Expires: 11/28/01



JOHN LAING HOMES, L.L.C.,  
A Delaware Limited Liability Company f/k/a  
PENROSE-CL ASSOCIATES, L.L.C.,  
A Delaware Limited Liability Company  
Member

BY: WL HOMES, L.L.C., A Delaware Limited  
Liability Company d.b.a. John Laing Homes -  
Washington Division  
Member

BY: Steven M. Baldwin (SEAL)  
Steven M. Baldwin  
Authorized Person/Division  
President

STATE OF Virginia, COUNTY OF Fairfax:

I HEREBY CERTIFY That on this 29<sup>th</sup> day of September, 1999, before me, a  
Notary Public in and for the State and County aforesaid, personally appeared Steven M. Baldwin,  
who acknowledged himself to be the authorized person of WL HOMES, L.L.C., a Delaware  
Limited Liability Company (the "L.L.C.") and that he, as such person, being authorized so to do,  
executed the foregoing instrument for the purposes therein contained by signing the name of the  
L.L.C. by himself as such person and certified that this conveyance is not part of a transaction in  
which there is a sale, lease, exchange or other transfer of all or substantially all of the property  
and assets of the L.L.C.

WITNESS my hand and Notarial Seal.

HS [Signature]  
Notary Public

My Commission Expires: 10/31/02

ROSE HILL HOME OWNERS  
ASSOCIATION, INC., A Maryland  
Corporation

BY: *Brooks R. Palmer* (SEAL)  
President

STATE OF Maryland, COUNTY OF Howard:

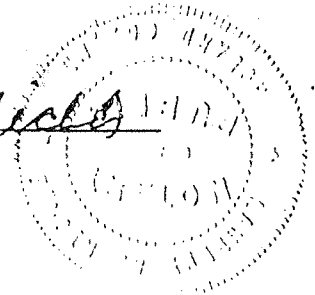
I HEREBY CERTIFY That on this 7 day of October, 1999, before me, a Notary Public in and for the State and County aforesaid, personally appeared Brooks R. Palmer, who acknowledged himself to be the President of Rose Hill Home Owners Association, Inc., a Maryland Corporation (the "Corporation") and that he/she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself/herself as such officer and certified that this conveyance is not part of a transaction in which there is a sale, lease, exchange or other transfer of all or substantially all of the property and assets of the Corporation.

WITNESS my hand and Notarial Seal.

*Laurene Nickle*  
Notary Public

LAURENE NICKLE  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires May 1, 2003

My Commission Expires: \_\_\_\_\_



CITY OF ROCKVILLE

THE MAYOR AND COUNCIL OF ROCKVILLE  
a Municipal Corporation of the State of Maryland

By: W. Mark Pentz (SEAL)  
W. Mark Pentz, City Manager

COUNTY OF: Montgomery

STATE OF: MD

I HEREBY CERTIFY that on this 2nd day of November, 1999,  
before me, the undersigned, a Notary Public in the jurisdiction aforesaid, personally appeared  
W. Mark Pentz, known to me or satisfactorily proven to be the person  
whose name is subscribed to the within instrument and who acknowledged herself to be the  
City Manager of Rockville, Maryland, a municipal corporation of the State  
of Maryland, and that in such capacity, and being so authorized to do, executed the foregoing  
Deed on behalf of the Mayor and Council of Rockville, Maryland for the purposes therein  
contained.

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

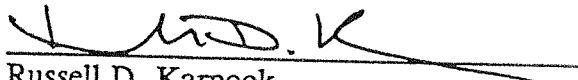
Anita A. McCants  
Notary Public Anita A. McCants

My Commission Expires: 10-01-02



ATTORNEY'S CERTIFICATION

This instrument has been prepared by or under the supervision of the undersigned Maryland attorney or by one of the parties named in this instrument.

  
Russell D. Karpook

Post Recording Return To:

Russell D. Karpook  
FRANCOMANO & KARPOOK, P.A.  
20 S. Charles Street, 8th Floor  
Baltimore, Maryland 21201

BY-LAWS

OF

ROSE HILL HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION.

The name of the corporation is Rose Hill Homeowners Association, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 8965 Guilford Road, Suite 290, Columbia, Maryland 21046, but meetings of Members and Directors may be held at such places within the State of Maryland, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS.

Section 1. The terms "Association", "HOA Area", "Declarant", "Lot", "Lots", "Owner", and "Property", as used in these By-Laws shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions relating to the Subdivision recorded among the Land Records of Montgomery County, Maryland, in Liber 17054, folio 017 ("Declaration").

Section 2. "Member" means those persons or entities entitled to vote in the Association as provided in the Association's Articles of Incorporation.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter, at a date, time and place within the State of Maryland selected by the Board of Directors of the Association. If the day of the annual meeting of the Members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are (i) entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

**EXHIBIT 4**

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of the Secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, not less than thirty (30) nor more than sixty (60) days before the meeting, to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member of the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting. In the case of a special meeting, the notice shall state the purpose of the meeting.

Section 4. Quorum. The presence of Members or of proxies entitled to cast ten percent (10%) of Class A votes and ten percent (10%) of Class B votes shall constitute a quorum. If the required quorum is not present, at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

#### ARTICLE IV

##### BOARD OF DIRECTORS: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of no less than three (3) nor more than five (5) Directors, as may be designated from time to time by resolution of a majority of the entire Board of Directors. Such Directors need not be Members of the Association.

Section 2. Term of Office. The term of office of the Directors of the corporation shall be as stated in its Articles of Incorporation.

Section 3. Removal. Any director, may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal, pursuant to these By-Laws, of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

## ARTICLE V

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination of Directors for election to the Board of Directors shall be made in a manner prescribed by the Board of Directors. Nominations may also be made from the floor at the annual meeting. The Board of Directors shall provide for as many nominations for election to the Board of Directors as it shall, in its discretion determine, but not less than the number of vacancies that are to be filled. Nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At the election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the HOA Area including any improvements and amenities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof.

(b) Regulate parking and storage upon the Property.

(c) Suspend the voting rights, and the right of use of any recreational facilities located on any HOA Area during any period in which the Member is in default in the payment of any assessment levied by the Association; these rights may also be suspended for a period not to exceed sixty (60) days for an infraction of published rules and regulations.

(d) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration.

(e) Employ a manager, independent contractors, or other employees or contractors as they deem necessary, and to prescribe their duties. Any agreement entered into for the professional management of the Association, or any other contract providing for the services of the developer, sponsor or builder, may not exceed one (1) year; however, such agreement may be renewable by agreement of the parties for successive one-year periods. Any such agreement must provide; (i) for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice, and (ii) for termination by the Association for cause and without payment of a termination fee on thirty (30) days or less written notice.

(f) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without good cause from two (2) consecutive regular meetings of the Board of Directors.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such a statement is requested in writing by the holders of one-fourth

(1/4) of the votes outstanding;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Lot Owner subject thereto at least fifteen (15) days in advance of each annual assessment period, and of each special assessment, at least forty-five (45) days in advance of its due date; and

(3) foreclose the lien against a Lot if the Owner thereof has not paid the assessment thereon within such time as the Board of Directors may determine, or bring an action at law against the Lot Owner personally obligated to pay the same;

(d) issue, or cause an appropriate officer to issue, upon demand by any interested person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If the certificate states that an assessment has been paid, the certificate shall be conclusive evidence of the payment with respect to any person relying on the certificate;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association, and adequate indemnity insurance on Officers and Directors;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the HOA Areas to be maintained.

(h) provide for the maintenance and regulation of any parking lots or any portion of the road system not dedicated for public use or the dedication of which for public use has not been accepted by an appropriate public body;

(i) enter into an Agreement with the first mortgagees of Lots in the properties to provide that such first mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against the HOA Areas of the Association, and such mortgagees may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such property, and such first mortgagees, upon making such payments, shall be owed immediate reimbursement therefor from the Association;

(j) establish, levy, assess and collect all assessments referred to or authorized in this Declaration;

(k) perform any other duties required by the Articles of Incorporation of the Association or by the Declaration.

Section 3. Management Agent. The Board of Directors shall employ for the Association a professional Management Agent at a rate of compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not necessarily limited to, the duties set out in Section 2 of this Article. The Association shall not undertake "self-management" or otherwise fail to employ a professional management agent. Any professional management company so employed must have and maintain fidelity bond coverage in an amount equal to or greater than twenty five percent (25%) of the estimated annual operating expenses and reserves of the Association.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise becomes disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to the vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Members and of the Board of Directors and see that orders and resolutions of the Board are carried out. The President shall have authority to sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and may exercise and discharge such other duties as may be required by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse these funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.



## ARTICLE IX

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall provide any indemnification required or permitted by the laws of Maryland and shall indemnify directors, officers, agents and employees as follows:

(a) The Association shall indemnify any director or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceedings, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that such person is or was such director or officer or an employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if such officer or director acted in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that such conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith, and in a manner which such person reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Association shall indemnify any director or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was such a director or officer or an employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if such officer or director acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association unless and

only to the extent that the court in which such action or suit was brought, or any other court having jurisdiction in the premises, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) To the extent that a director or officer of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraph (a) or (b) of this Article IX, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred in connection therewith, without the necessity for the determination as to the standard of conduct as provided in paragraph d of this Article IX.

(d) Any indemnification under paragraph (a) or (b) of this Article IX (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he or she has met the applicable standard of conduct set forth in paragraph (a) or (b) of this Article IX. Such determination shall be made (i) by the Board of Directors of the Association by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or even if obtainable, such a quorum of disinterested directors so directs, by independent legal counsel (who may be regular counsel for the Association) in a written opinion; and any determination so made shall be conclusive.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized in the particular case, upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article IX.

(f) Agents and employees of the Association who are not directors or officers of the Association may be indemnified under the same standards and procedures set forth above, in the discretion of the Board of Directors of the Association.

(g) Any indemnification pursuant to this Article IX shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, personal representatives and administrators of such a person.

ARTICLE X

COMMITTEES

The Association shall appoint an Architectural Control Committee and may appoint other committees as it deems appropriate.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Unless changed by the Board of Directors, the annual assessment shall be payable by each Member annually on or before January 15th of each year for that year. If the assessment is not paid on the due date, the assessment shall bear interest from the date of delinquency at the maximum rate allowed by law, and be subject to a late fee to be established by the Board of Directors, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot, and interest, late fees, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the HOA Area or abandonment of his Lot.

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

ARTICLE XIII

RIGHTS OF MORTGAGEES/UNPAID ASSESSMENTS

The Association may, upon request and for a reasonable charge, report to a mortgagee of any Lot any unpaid assessment due from the Owner of the Lot or any default by the mortgagor of the Lot in the performance of the mortgagor's obligations as a Lot Owner hereunder which is not cured within thirty (30) days. In the event a first mortgagee requests a notice of default, and pays the charge therefor, if no notice of default is given within thirty (30) days after receipt of the request, the Association thereafter shall be estopped to claim any default that occurred prior to the receipt of the Request as respects the said first mortgagee, or any purchaser therefrom upon foreclosure or other exercise of lien rights under the mortgage.

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Rose Hill Homeowners Association, Inc., 1998.

ARTICLE XV

AMENDMENTS

Section 1. The Declarant shall have the right, for a period of seven (7) years following the date of these By-Laws, without the consent of the Members of the Association, to modify, amend or change any of the provisions of these By-Laws as deemed necessary or appropriate by the Declarant, except if any Lot is security for any mortgage or deed of trust insured by the F.H.A. or V.A. as long as there is a Class B Membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: (i) Annexation of Additional Property, under Article VIII, (ii) amendments of this Declaration of Covenants, Conditions and Restrictions, (iii) and any alteration, amendment or change of Lot lines or subdivision plan pursuant to Article VII, Section 7.9 of the Declaration.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and the Articles or these By-Laws, the Declaration shall control.

ARTICLE XVI

MISCELLANEOUS

The fiscal year of the Association shall be as established by the Board of Directors.

IN WITNESS WHEREOF, we, being all the Directors of Rose Hill Homeowners Association, Inc., have hereunto set our hands this 31<sup>st</sup> day of December, 1998.

                    / S /  
BROOKS R. PALMER

                    / S /  
ALFRED R. GUERIERI

                    / S /  
STEVEN M. BALDWIN

#### CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Rose Hill Homeowners Association, Inc., a Maryland corporation; and

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 31st day of December, 1998.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 31st day of December, 1998.

                    / S /  
ALFRED R. GUERIERI