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DECLARATION OF DEFERRED WATER CHARGES

THIS DECLARATION OF DEFERRED WATER CHARGES ("Declaration") is made this 24th day of February, 2000 by ROY E. STANLEY and KATHY A. STANLEY, hereinafter referred to as "Stanley", for the benefit of Seneca Springs, LLC, a Maryland limited liability company, hereinafter referred to as "FFB" and D.R. HORTON, INC., A Texas Corporation, hereinafter referred to as "Horton" (who has joined in this Declaration for the sole purpose of subjecting Lots 18, 19, 20, 27, 30, 32, 37, 38 and 39 of the Seneca Springs Subdivision to the effect of this Declaration

IMP FD SURE \$	2.00
RECORDING FEE	75.00
TOTAL	77.00
Rest MGR	Rcpt \$ 33681
MGR BHM	Bk \$ 5393
FEB 24, 2000	04:26 PM

WITNESSETH:

WHEREAS, Stanley and Horton are the owners of property situated in Montgomery County, Maryland, including ground originally known as the Busch Farm as described in a Deed from Albert H. and Margaret L. Busch to Roy E. Stanley and Kathy A. Stanley dated January 2, 1997 and recorded among the Land Records of Montgomery County in Liber 14619 at folio 528, and as more particularly described in those certain plats of subdivision known as Seneca Springs located in Montgomery County, Maryland as follows: Outlot 40, Outlot 41, Outlot 42, and Parcel D recorded in Plat Book 192, at Plat 21026; Lots 20, 21, 23 - 27, 29, 30 - 35, Outlot 22, Outlot 28, Storm Water Management Parcel 1 and Vista Ridge Road from Lot 20 to Culdesac recorded in Plat Book 192, at Plat 21027; Lots 1, 2, 15 - 19, 36 - 39, Storm Water Management Parcel 2, Meadow Ridge Road and past Lot 19 of Vista Ridge Road recorded in Plat Book 192, at Plat 21028; and Lots 3-14, recorded in Plat Book 196, at Plat 21265, such lots being hereinafter referred to individually as a "Lot" and collectively as the "Lots". The terms "Lot" and "Lots" shall include only those portions of the Property upon which the planned or actual improvements are primarily intended for use and occupancy as residential dwelling units and shall not include common areas or property dedicated for public use; and

WHEREAS, FFB intends to provide the Lots with access to and service from water pipes and transmission lines in the streets and/or in the public rights-of-way and public utility easements surrounding the Lots, including, without limitation, house connections (all of such pipes, transmission lines, connections and appurtenances being hereinafter collectively referred to as the "Water Facilities"); and

WHEREAS, any portions of the Water Facilities (after construction thereof) which are located within a Lot, and not located in public rights-of-way and public utility easements shall be maintained by the Washington Suburban Sanitary Commission ("WSSC"). Stanley and FFB shall have no responsibility for maintaining, repairing or replacing the Water Facilities. The term "Owner" as used herein shall mean and refer to the record owner,

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whether one (1) or more persons or entities, of a fee simple interest in any Lot which is a part of the Property, including contract sellers, but excluding those having such interest solely as security for the performance of an obligation; and

WHEREAS, the water service supplied to and used by each Lot is to be furnished by WSSC, and billed for by WSSC to Owner of such Lot from time to time, which billings are separate and apart from the "Water Charges" (as defined below) established by the Declaration; and

WHEREAS, by the recordation of the Declaration, FFB desires to establish certain charges upon the Lots, to be paid to FFB, its successors and assigns, whereby the costs related to the construction and installation of the Water Facilities serving the Lots is to be paid by the Owners of the Lots, excluding Stanley and any "Builder" (as defined below), in twenty-three (23) equal installments over a period of twenty-two (22) years, except, if applicable, for the proration of the first and last installments as provided below, provided that FFB shall have the right to collect "Water Charges" in advance and to collect "Water Charges" in monthly, quarterly, bi-annual, or annual installments, as provided herein. Each such installment, whether or not prorated, is hereinafter referred to individually as a "Water Charge" and collectively as the "Water Charges". The term "Builder" as used herein shall mean and refer to any person or entity that acquires one (1) or more Lots from Stanley, its successor and assigns for the purpose of constructing residential dwelling units on such Lots for sale or lease to others.

NOW, THEREFORE, Stanley hereby declares that all of the Lots now or hereafter included within the Property shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, occupied and used subject to the covenants, conditions, restrictions, obligations and charges set forth in this Declaration, which are for the purpose of reimbursing FFB for the costs of constructing the Water Facilities serving the Lots, and which shall run with such Lots and be binding on all parties having any right, title or interest in all or any portion of such Lots, their respective heirs, personal representatives, successors, transferees and assigns, and which shall inure to the benefit of FFB and its respective successors, transferees and assigns:

1. **INCORPORATION OF RECITALS.** The recitals set forth above are hereby incorporated in and made a material part of this Declaration.

2. **ESTABLISHMENT OF LIEN AND PERSONAL OBLIGATION.** Each Owner of any Lot, other than Stanley or any Builder, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to FFB all

Water Charges, interest, costs, late fees and attorneys' fees due and unpaid as of the date such Owner accepts title to such Lot, and shall also be deemed to covenant and agree to pay to FFB all future Water Charges established hereby for as long as such Owner shall be a record owner of a fee simple interest in such Lot. The Water Charges, together with interest, costs, late fees and attorneys' fees, shall be a charge on the Lot (including all improvements thereon), and shall be a continuing lien upon the Lot against which each such Water Charge is made, provided the requirements of the Maryland Contract Lien Act, if applicable, have been fulfilled. Each such Water Charge, together with interest, costs, late fees and attorneys' fees, shall also be the personal obligation of the Owner of the Lot at the time when the Water Charge fell due. FFB may bring an action at law against any Lot Owner personally obligated to pay the Water Charges, or foreclose on the lien against the Lot or Lots then belonging to said Owner in a manner now or hereafter provided for the foreclosure of mortgages, deeds of trust or other liens on real property in the State of Maryland containing a power of sale or consent to a decree, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs, late fees and attorneys's fees equal to twenty percent (20%) of the sum claimed shall be added to the amount of the Water Charges due. A certificate in writing, signed by a representative of FFB, shall be given promptly after receipt by FFB of a written request for such certificate from any Owner of a Lot liable for the Water Charges, setting forth the amount of any accrued and unpaid Water Charges, interest, costs, late fees and attorneys' fees with respect to the Lot, and such certificate shall be binding on FFB as of the date of issuance. A charge not to exceed Fifty Dollars (\$50.00) may be collected by FFB in advance for each such certificate so issued.

3. **COMMENCEMENT DATE.** The Water Charges described herein shall commence with respect to each Lot from Stanley or any Builder to any other Owner, other than Stanley or another Builder (the "Commencement Date"). The Water Charges for each of the Lots shall terminate (except as to any unpaid Water Charges, interest, costs, late fees and attorneys' fees) with respect to each Lot on the date which is twenty-two (22) years after the Commencement Date for each lot, unless sooner paid in full as hereinafter provided. The Water Charges shall be paid annually in advance by each Lot Owner (other than Stanley or any Builder) to FFB in twenty-three (23) equal installments of Five Hundred Sixty-two and 21/100 Dollars (\$562.21) per year, which shall be due and payable for the Lots on July 1 of each year subsequent to the years after the Commencement Date and the last installment shall be due on the date which is twenty-two (22) years after the Commencement Date. Notwithstanding the foregoing, FFB, in its sole and absolute discretion, may allow or can require (i) any Owner to pay the annual Water Charges in monthly, quarterly or bi-annual installments as determined by FFB,

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(ii) Owner's mortgagee to escrow and pay to FFB the Water Charges, or (iii) any homeowners association which is established to collect the Water Charges from the Owner and any Owner subject to this Declaration and pay the same to FFB. Any Water Charges not paid within fifteen (15) days after the due date shall bear interest from the due date until paid at the rate determined by FFB not to exceed the maximum rate permitted by law (or such lesser sum as the Department of Veterans Affairs (the "VA") or the Federal Housing Administration (the "FHA") may specify if any Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is guaranteed by the VA or insured by the FHA). FFB may elect to collect a reasonable late fee, not to exceed Twenty-Five Dollars (\$25.00), for any Water Charges which are fifteen (15) or more days delinquent. No Owner may waive or otherwise escape liability for Water Charges provided for herein by non-use of the Water Facilities or abandonment of a Lot.

4. **HOMEOWNERS ASSOCIATION.** Upon request by FFB, any homeowners association established upon the Property shall be obligated to collect the Water Charges due from all Lot Owners of such homeowners association; provided, however, that the homeowners association shall not be obligated to pay any Water Charges on behalf of an individual Lot Owner.

5. **SUBORDINATION OF LIEN TO MORTGAGES.** The lien for Water Charges, interest, costs, late fees and attorneys' fees provided for herein shall be subordinate to the lien of any "First Mortgage" (as defined below) on any Lot. The sale or transfer of any Lot shall not affect any lien imposed against such Lot pursuant to this Declaration. However, the sale or transfer of any Lot pursuant to an mortgage or deed of trust foreclosure or any proceeding in lieu thereof, shall extinguish the lien (but not the personal obligation) as to Water Charges, interest, costs, late fees and attorneys' fees which became due prior to such foreclosure or proceeding in lieu thereof, to the extent provided by applicable law. The purchaser of a Lot shall be jointly and severally liable with the selling Lot Owner for all unpaid Water Charges, interest, costs, late fees and attorneys' fees against the Lot, without prejudice to the purchaser's right to recover from the selling Lot Owner amounts paid by the purchaser therefor; provided, however, that no purchaser from an Owner, other than Stanley or any Builder, shall be liable for, nor shall any Lot be conveyed subject to a lien for, any accrued and unpaid Water Charges, interest, costs, late fees, or attorneys' fees greater than the amount stated in any written certificate provided by FFB in accordance with Paragraph 2 of this Declaration. No sale or transfer shall relieve any Lot or Owner from liability for any Water Charges, interest, costs, late fees and attorneys' fees thereafter becoming due or from the lien thereof. No amendment to this Declaration shall affect the rights of the holder of any First Mortgage on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment

unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment. The term "First Mortgage" as used herein shall mean a mortgage with priority over all other mortgages pursuant to applicable law. The term "mortgage" as used herein shall include deeds of trust.

6. **BILLING STATEMENT**. All Water Charges, interest, costs, late fees and attorneys' fees payable in accordance with this Declaration shall be payable to FFB, its successors and assigns, in accordance with such billing statements as may be issued by FFB, or its designee. Failure to receive a bill for the Water Charges, interest, costs, late fees, or attorneys' fees due hereunder.

7. **PREPAYMENT**. Any Lot Owner may prepay at any time the Water Charges attributable to such Owner's Lot by paying the amount as computed from time to time by FFB, on or before the next due date for that Lot; provided, however, that such Lot Owner is not then in default under this Declaration, and is then current in the payment of all then due installments, and any interest, costs, late fees and attorneys' fees. In return for such prepayment and payment of all hereunder, in recordable form, from FFB certifying that all payments hereunder have been so prepaid. No Owner, or former Owner, shall be entitled to reimbursement from Stanley or FFB of any prepaid Water Charges.

8. **ASSIGNMENT; TRANSFER**. All or any portion of the rights, reservations, easements, interests, exemptions, privileges, or powers of FFB hereunder may be assigned and transferred (exclusively or non-exclusively) by FFB to any other individual or entity, without notice to the Lot Owners. FFB shall have the right to transfer, assign, pledge, or in any other fashion encumber its or their right to any or all of the Water Charges, interest, costs, late fees and attorneys' fees due hereunder.

9. **WITHDRAWAL**. Stanley may withdraw any Lot from the operation and effect of this Declaration for a period of fifteen (15) years from the date of recordation of this Declaration, provided that (i) Stanley is the Owner of such Lot at the time of withdrawal, or (ii) if Stanley is not the Owner of such Lot, Stanley withdraws such Lot with the written consent of the Owner thereof. Such withdrawn Lot shall no longer be subject to the covenants, conditions, restrictions, obligations and charges of this Declaration except for (I) any rights, reservations, exemptions, powers, or privileges reserved to Stanley pursuant to this Declaration which affect the withdrawn Lot, and (ii) any other rights, reservations, exemptions, powers, or privileges which are expressly reserved to Stanley in the instrument effectuating such withdrawal. Such withdrawal shall be made by recording a Supplementary Declaration among the Land Records, withdrawing the effect of the covenants, conditions, restrictions, obligations and charges of this Declaration from the withdrawn Lot.

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10. **WAIVER.** No restrictions, condition, obligation or provision of this Declaration shall be deemed to have been abrogated or waived by reason of any failure of failures to enforce the same.

11. **SEVERABILITY.** The terms and provisions of this Declaration are severable and in the event that any term or provision of this Declaration is invalid or unenforceable for any reason, the remaining terms and provisions hereof shall remain in full force and effect.

12. **RUN WITH THE LAND.** All provisions of this Declaration, including the benefits and burdens, shall touch, concern and run with the land; shall be binding upon the Owners and their respective heirs, personal representatives, successors, transferees and assigns; and shall inure to the benefit of Stanley, FFB and their respective successors, transferees and assigns.

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

14. **ENFORCEMENT AND RECORDATION.** This Declaration shall be construed and enforced in accordance with the laws of the State of Maryland, and shall be effective upon recordation among the Land Records.

(SIGNATURE PAGE FOLLOWS)

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IN WITNESS WHEREOF, the undersigned have executed this instrument this 14th day of October, 1999.

[Signature]
Witness

[Signature]
ROY E. STANLEY

[Signature]
Witness

[Signature]
KATHY A. STANLEY

STATE OF MARYLAND

*

COUNTY OF MONTGOMERY

* to wit:

I HEREBY CERTIFY that on this 14th day of October, 1999 before me, a Notary Public in and for the State and County aforesaid, personally appeared ROY E. STANLEY and KATHY A. STANLEY, known to me (or satisfactorily proven) to be the persons named in the foregoing instrument, and executed the foregoing and annexed instrument for the purposes therein contained.

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

DEBORAH L. HENRY
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires May 2, 2000

[Signature]
Notary Public

My Commission Expires: _____

Attest:

D.R. HORTON HOMES, INC.
a Texas Corporation

James N. Duro

By: John M Flaherty

STATE OF MARYLAND

*

*

to wit:

*

COUNTY OF MONTGOMERY

I HEREBY CERTIFY that on this 8th day of February, ~~1999~~ ²⁰⁰⁰
before me, a Notary Public in and for the State and County
aforesaid, personally appeared John M Flaherty, known to me
(or satisfactorily proven) to be the Vice President of D.R.
HORTON, INC. a Texas corporation, and that such corporate officer,
being authorized to do so, executed the foregoing and annexed
instrument on behalf of such company for the purposes therein
contained.

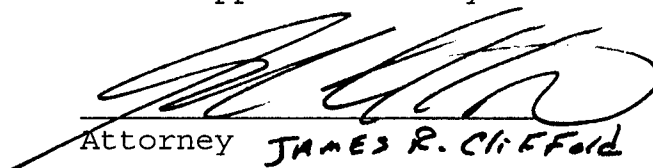
IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Teresa L. McLaughlin
Notary Public

My Commission Expires: 3-1-00

ATTORNEY'S CERTIFICATION

I HEREBY CERTIFY that the foregoing instrument was prepared by or under the supervision of the undersigned, an attorney duly licensed to practice before the Court of Appeals of Maryland.



Attorney **JAMES R. CLIFFORD**

RETURN TO:
Law Offices of
DEBELIUS, CLIFFORD, DEBELIUS,
CRAWFORD & BONIFANT, CHTD.
320 East Diamond Avenue
Gaithersburg, Maryland 20877-3016