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DEED OF EASEMENT

THIS DEED OF EASEMENT is made this 18th day of July, 1989, by and among the ARTERT ORGANIZATION, INC., a Maryland Corporation (hereinafter referred to as "Artery"), THE MILTON COMPANY, a Virginia Corporation (hereinafter referred to as "Milton"), and CAPITAL HOMES VIRGINIA, INC., a Virginia Corporation (hereinafter referred to as "Capital Homes").

* * W I T N E S S E T H * *

WHEREAS, Artery is the owner of certain property located in the County of Fairfax, Virginia, containing approximately 16.57474 acres, and more specifically described on the property description attached hereto as Exhibit A ("Artery Parcel"); and

WHEREAS, Capital Homes is the owner of a 22.21936 acre parcel of adjacent property more particularly described on the metes and bounds description attached hereto as Exhibit B ("Capital Homes Parcel"); and

WHEREAS, Milton is the owner of certain property containing approximately 25.27 acres located immediately adjacent to the Artery property, and which is more specifically described on the metes and bounds description attached hereto as Exhibit C ("Milton Parcel"); and

WHEREAS, Artery intends to construct on the Artery Parcel a residential townhouse project consisting of 194 dwelling units, together with a swimming pool and bath house facility to be located on the area shown and labeled on the plat attached hereto as the "Swimming Pool Facility"; and

WHEREAS, Capital Homes intends to construct on the Capital Homes Parcel approximately 60 single family units; and

WHEREAS, Milton intends that Carr Properties, Inc. will acquire and construct on the Milton Parcel approximately 202 residential townhouse units; and

WHEREAS, Artery, Milton and Capital Homes desire to establish for the benefit of each other and any future owners of the Artery Parcel, Milton Parcel and Capital Homes Parcel a certain easement which shall run with the land for the non-exclusive use of the swimming pool and bath house facility by the Owners of the Milton Parcel and Capital Homes Parcel and any successors thereto.

NOW, THEREFORE, Artery, Milton and Capital Homes, being the record owners of the Artery Parcel, Milton Parcel and Capital Homes Parcel, declare that the Artery Parcel, Milton Parcel and Capital Homes Parcel shall be owned, transferred, held, sold, conveyed and accepted subject to the easements and

39 agreements contained in this instrument and that each of the easements and
40 agreements established herein shall exist at all times hereafter amongst, and
41 be binding upon and inure to the benefit and/or burden of all parties having
42 or acquiring any right, title or interest in or to any portion of the Artery
43 Parcel, Milton Parcel and Capital Homes Parcel.

44 ARTICLE I

45 Definitions

46 As used in this instrument the following terms shall have the following
47 meanings:

48 A. "Artery": shall mean The Artery Organization, Inc., a Maryland
49 corporation and its successors or assigns, including any record owner of any
50 buildable lot created on the Artery Parcel, as "owner" may be defined more
51 particularly in any declarations of covenants, conditions and restrictions
52 affecting that parcel.

53 B. "Milton": shall mean The Milton Company, a Virginia corporation and
54 its successors or assigns, including any record owner of any buildable lot
55 created on the Milton Parcel, as "owner" may be defined more particularly in
56 any declarations of covenants, conditions and restrictions affecting that
57 parcel.

58 C. "Capital Homes" shall mean Capital Homes Virginia, Inc., a Virginia
59 corporation and its successors or assigns, including any record owner of any
60 buildable lot created on the Capital Homes Parcel, as "owner" may be defined
61 more particularly in any declarations of covenants, conditions and
62 restrictions affecting that parcel.

63 D. "Easements": shall mean all easements declared and created pursuant
64 to this instrument.

65 E. "Swimming Pool Facility": shall mean the swimming pool and bath house
66 facility to be located upon that portion of the Artery Parcel, more
67 particularly shown on the Plat.

68 F. "Plat": shall mean that Plat dated June 30, 1989 entitled "Plat
69 Showing Swimming Pool Facility" prepared by Vika Incorporated, which is
70 attached to this instrument as Exhibit D.

71 G. "Owner of the Artery Parcel": shall mean Artery, the present owner of
72 record of the Artery Parcel in fee simple, and then any Homeowners
73 Association duly established for any lot created on the Artery Parcel, at the
74 time that the lot owners obtain control over said association, at which time

75 Artery, and any intervening owners of record, shall have no further responsi-
76 bilities or liabilities under this Deed of Easement.

77 H. "Owner of the Milton Parcel": shall mean Milton, the present owner of
78 record of the Milton Parcel in fee simple, and then any Homeowners
79 Association duly established for any lot created on the Milton Parcel, at the
80 time that the lot owners obtain control over said association, at which time
81 Milton, and any intervening owners of record, shall have no further
82 responsibilities or liabilities under this Deed of Easement.

83 I. "Owner of the Capital Homes Parcel": shall mean Capital Homes, the
84 present owner of record of the Capital Homes Parcel in fee simple, and then
85 any Homeowners Association duly established for any lot created on the
86 Capital Homes Parcel, at the time that the lot owners obtain control over
87 said association, at which time Capital Homes, and any intervening owners of
88 record, shall have no further responsibilities or liabilities under this Deed
89 of Easement.

90 ARTICLE II

91 Easements Created Over Artery Parcel

92 For valuable consideration, Artery does hereby grant, convey and
93 establish in favor of Milton and Capital Homes, and their respective
94 successors and assigns, the following easements:

95 A. A perpetual non-exclusive easement on and over the private roadways
96 and parking lot to be constructed on the Artery Parcel for pedestrian and
97 vehicular access to and from the Milton Parcel and the Capital Homes Parcel
98 to the Swimming Pool Facility located on the Artery Parcel.

99 B. A perpetual -non-exclusive easement on and over the sidewalks and
100 walkways to be constructed on the Artery Parcel for pedestrian and vehicular
101 access to and from the Milton Parcel and the Capital Homes Parcel to the
102 Swimming Pool Facility located on the Artery Parcel.

103 C. A perpetual non-exclusive easement in favor of Milton and Capital
104 Homes for the non-exclusive use of the Swimming Pool Facility.

105 ARTICLE III

106 Cost of Maintenance

107 The Owner of the Milton Parcel shall be obligated following issuance of a
108 non-residential use permit for the Swimming Pool Facility to make payments to
109 the Owner of the Artery Parcel on an annual basis for forty four percent

110 (44%) of the actual costs for maintenance, repair and/or replacement of the
111 Swimming Pool Facility, but in no event shall any payments be made prior to
112 February 1, 1990. The owner of the Capital Homes Parcel shall be obligated to
113 make payments to the Owner of the Artery Parcel on an annual basis for
114 thirteen percent (13%) of the actual costs for maintenance, repair and/or
115 replacement of the Swimming Pool Facility, but in no event shall any payments
116 be made prior to February 1, 1990. Actual costs of maintenance, repair
117 and/or replacement of the Swimming Pool Facility shall include all
118 costs of operation of the Swimming Pool Facility, such as, but not limited
119 to, the costs of any pool maintenance contracts, cleaning, insurance, costs
120 of life guards, allocable costs of maintenance personnel, maintenance, repair
121 and/or replacement of the pool, deck, mechanical equipment, and pool liner,
122 together with a reasonable reserve fund for operating costs and capital
123 improvements (hereinafter referred to as "Actual Costs"). The funds for
124 operating costs and capital improvements shall be segregated by the owner of
125 the Artery Parcel into one or more separate and distinct accounts, which may
126 be audited by either the Owner of the Milton Parcel or the owner of the
127 Capital Homes Parcel.

128 It is acknowledged-by all parties hereto that the allocation of Actual
129 Costs is based on the number of units stated in the recital paragraphs of
130 this Deed of Easement. If there is a change in the number of units actually
131 constructed on any of the parcels, then the parties shall agree to make the
132 necessary adjustments, prospectively only, in the allocation of Actual Costs
133 at that time.

134 The Owner of the Artery Parcel shall render on a monthly basis to the
135 Owner of the Milton Parcel and the owner of the Capital Homes Parcel a
136 written statement showing in detail on an item by item basis the total
137 verified Actual Costs of the Owner of the Artery Parcel in connection with
138 the Swimming Pool Facility. The Owner of the Milton Parcel and the owner of
139 the Capital Homes Parcel shall within thirty (30) days of its receipt of the
140 aforesaid statement be obligated to pay to the Owner of the Artery Parcel an
141 amount equal to forty four percent (44%) and thirteen percent (13%),
142 respectively, of said written statement, or if adjustments are made to the
143 allocations as referenced above, then to an amount equal to the adjusted
144 allocations.

145 Subsequent to issuance of a non-residential use permit for the Swimming
146 Pool Facility, any payments not- received within 30 days of receipt of said
147 statement shall cause any amounts due to bear interest at 18% per annum.
148 Failure to make said payments within 90 days from the date of receipt of said
149 statement shall entitle the Owner of the Artery Parcel to prohibit any
150 further use of the Swimming Pool Facility until payment in full by Milton, if
151 the Owner of the Milton Parcel is delinquent in its payments, or by Capital
152 Homes, if the owner of the Capital Homes Parcel is delinquent in its
153 payments.

154 Notwithstanding anything to the contrary stated above, the Owner of the
155 Artery Parcel may submit said written statement of costs on any less frequent
156 basis that it deems appropriate.

157 ARTICLE IV

158 Method of Operation of Swimming Pool Facility

159 Within sixty (60) days following the complete execution of this
160 Agreement, the Owners of the Artery Parcel, the Milton Parcel and the Capital
161 Homes Parcel shall establish a Swimming Pool Committee (the "Committee")
162 which shall be comprised of two (2) members appointed by the owner of the
163 Artery Parcel, two (2) members appointed by the Owner of the Milton Parcel,
164 and one member appointed by the Owner of the Capital Homes Parcel. Meetings
165 may be held without a quorum, but all decisions shall be made by majority
166 vote of all eligible to vote, whether or not in attendance. The Committee may
167 reduce the number of its members at any time, so long as each parcel is
168 represented by at least one member.

169 Artery, and thereafter, when the Committee is formed, the Committee,
170 instead of Artery, shall be responsible for overseeing the use and operation
171 of the Swimming Pool Facility and shall have the authority reasonably to:

172 (a) Establish the length of the swim season and the hours of operation;

173 (b) Select the method of operation of the Swimming Pool Facility
174 including the selection of any pool operator or pool maintenance contract;

175 (c) Review the adequacy of insurance coverages for the Swimming Pool
176 Facility;

177 (d) Promulgate uniform rules and regulations for the use and operation
178 of the facility by the Owners of the Artery Parcel, the Milton Parcel and the
179 Capital Homes Parcel;

180 (e) Establish uniform guest fees and, if deemed necessary, user fees for
181 the use of the Swimming Pool Facility by the Owners of the Artery Parcel, the
182 Milton Parcel and the Capital Homes Parcel;

183 (f) In September of each calendar year, establish for the succeeding
184 calendar year a budget for the use, operation, repair, maintenance of the
185 Swimming Pool Facility. The budget shall include all items and expenses
186 reasonably anticipated for the use and operation of the Swimming Pool
187 Facility, including but not limited to the 'costs of contract labor or direct
188 labor for the operation of the Swimming Pool Facility, reasonable allocable
189 costs of hazard and public liability insurance, costs of utilities, costs of
190 operation, repair and/ or replacement of mechanical equipment, costs of
191 chemicals and supplies, poolfurniture and a reasonable reserve fund.

192 (g) Submit the budget to each Homeowner Association of each of the three
193 parcels for association use in calculating its own assessments.

194 ARTICLE V

195

General Provisions

196 A. The provisions of this easement shall be binding upon the parties hereto
197 and any successor in title to any portion of the Artery Parcel, the Milton
198 Parcel and the Capital Homes Parcel, and in the manner stated above shall be
199 deemed to create rights and obligations which shall run with the land in the
200 manner stated above in this Deed of Easement. If a homeowners association is
201 created with respect to the Artery Parcel, the Milton Parcel or the Capital
202 Homes Parcel, the "Owner" of said parcel for all purposes herein shall be
203 deemed to be solely the homeowners association established with respect to
204 said parcel, at the time that the lot owners of that association obtain
205 control over said association.

206 B. Each party represents and warrants to the other parties that it is the
207 full title holder of its Parcel, subject only to the title rights of lenders
208 or holders of easement rights.

209 C. Ownership of the Swimming Pool Facility by Artery or its successors in
210 interest, including any homeowner's association, shall not entitle said owner
211 to discriminate against Milton or Capital Homes or their successors in
212 interest.

213 D. This instrument shall be construed in accordance with the laws of the
214 Commonwealth of-Virginia.

215 E. All contract purchasers shall acknowledge that they shall be bound by the
216 Deed of Easement and they shall be responsible to pay their allocable costs.

217 F. The Owner of the Artery Parcel shall not encumber the Swimming Pool
218 Facility nor admit additional members without the consent of the Committee.

219 WITNESS the following signatures:

220 ***Signature pages not scanned***