

EXHIBIT "A"

DECLARATION

FOR

WINDSOR MEWS

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SUBMITTED LAND

EXHIBIT A

## DECLARATION:

FOR

WINDSOR MEWS

THIS DECLARATION is made as of February 28, 1995, by TRAFALGAR HOUSE PROPERTY, INC., a Delaware Corporation ("Declarant"); and WINDSOR MEWS OWNERS ASSOCIATION, INC., a Virginia nonstock corporation ("Association").

R E C I T A L S:

R-1. The Declarant desires to subject the land designated as Submitted Land in the legal description attached as Exhibit A hereto to the covenants, restrictions, reservations, easements, servitudes, liens and charges, all as more particularly hereinafter set forth.

R-2. The Declarant deems it desirable and in the best interests of all the owners of land subject to this Declaration to protect the value and the desirability of such land by providing for the development of such land in accordance with a common plan and the maintenance of certain shared facilities.

R-3. To provide a means for meeting the purposes and intents set forth herein, the Declarant has caused the Association to be incorporated under the laws of the Commonwealth of Virginia. By its signature hereto the Association assumes the responsibilities assigned to the Association herein.

NOW, THEREFORE, the Declarant and Association hereby covenant and declare, on behalf of themselves and their respective successors and assigns, that from the date this Declaration is recorded, the land designated as Submitted Land in Exhibit A hereto shall be held, conveyed, acquired and encumbered subject to the terms and provisions hereof, all of which shall run with the land (including all improvements thereon) and bind and inure to the benefit of all Persons who may now or hereafter own or acquire any right, title, estate or interest in or to any of such land, or who may now or hereafter occupy or enter upon any portion thereof, subject to the right of the Declarant or the Association to amend this Declaration from time to time in accordance with the provisions for amendment set forth herein.

## P A R T O-N-E

## ARTICLE 1

GENERAL PROVISIONS

Section 1.1. Definitions. Terms used herein without definition shall have the meanings specified for such terms in Section 13.1-803 of the Act. Capitalized terms used herein shall have the meanings specified for such terms below.

(1) "Act" means the Virginia Nonstock Corporation Act, Chapter 10 of Title 13.1 of the Code of Virginia (1950), as amended, supplemented or replaced from time to time. "POA Act" means the Virginia Property Owners' Association Act, Chapter 26 of Title 55 of the Code of Virginia (1950), as amended, supplemented or replaced from time to time.

(2) "Approval of Secondary Mortgage Agencies or Mortgagees" means: (i) written approval; (ii) any written waiver of approval rights; (iii) a formal letter stating no objection; or (iv) presumptive approval if a Secondary Mortgage Agency or Mortgagee does not respond to a notice by certified or registered United States mail, return receipt requested, within thirty days after the date the request for approval is transmitted in accordance with the notice requirements of Article 11 of the Bylaws and Sections 13.2 and 14.4 hereof.

(3) "Articles of Incorporation" means the Articles of Incorporation for Windsor Mews Owners Association, Inc., filed with the Virginia State Corporation Commission, as amended from time to time.

(4) "Assessments" means the sums levied against the Lots to pay Common Expenses as provided in Article 6 hereof. Assessments include Annual Assessments, Additional Assessments and Individual Assessments and Special Assessments (levied pursuant to Section 55-514 of the POA Act).

(5) "Association" means Windsor Mews Owners Association, Inc., and, with respect to the rights and obligations of the Association set forth in this Declaration, its successors and assigns.

(6) "Association Documents" means collectively, the Articles of Incorporation, this Declaration, Supplementary Declarations and the Bylaws, all as amended from time to time. Any exhibit, schedule, certification or amendment to an Association Document is an integral part of that document.

(7) "Board of Directors" or "Board" means the executive and administrative entity established by Article 5 of the Articles of Incorporation as the governing body of the Association.

(8) "Builder" means a Person who purchases a portion of the Submitted Land for the purpose of constructing improvements for resale.

(9) "Bylaws" means the Bylaws of the Association, as amended from time to time.

(10) "Common Area" means, at any given time, all of the Property then owned by the Association and available to the Association for the benefit, use and enjoyment of the Owners.

(11) "Common Expenses" means all expenditures made by or on behalf of the Association, together with all funds determined by the Board of Directors to be reasonably necessary for the creation and maintenance of reserves pursuant to the provisions of the Association Documents. Except when the context clearly requires otherwise, any reference to Common Expenses includes Limited Common Expenses. "Limited Common Expenses" means all expenditures made by or on behalf of the Association and benefiting one or more but less than all of the Owners and assessed against the Lots owned by the Owners benefited pursuant to Subsection 6.2(a)(2) hereof.

(12) "Covenants Committee" means the committee that may be established pursuant to Article 9 hereof to assure that the Property will be maintained in a manner consistent with the purposes and intents of this Declaration.

(13) "Declarant" means Trafalgar House Property, Inc., a Delaware corporation. Following recordation of an instrument assigning to another Person all or some of the rights reserved to the Declarant under the Association Documents, pursuant to Section 5.2 hereof the term "Declarant" shall mean or include that assignee.

(14) "Declarant Control Period" means the period ending on the earliest of: (i) the seventh anniversary of the date of recordation of the Declaration; (ii) the date the number of votes of the Class A members other than Builders equals the number of votes of the Class B member; or (iii) the date specified by the Declarant in a written notice to the Association that the Declarant Control Period is to terminate on that date.

(15) "Declaration" means this Declaration for Windsor Mews made by the Declarant and recorded among the Land Records. The term Declaration shall include all amendments

thereto and, except when the context clearly requires otherwise, all "Supplementary Declarations." Supplementary Declaration means any declaration: (i) submitting land to the terms of the Declaration and subjecting such land to the jurisdiction of the Association, whether or not such Supplementary Declaration contains additional provisions reflecting the unique characteristics of the land being submitted; or (ii) submitting a portion of the Property to such supplementary covenants in accordance with the provisions of Article 4 hereof. A Supplementary Declaration may be part of a deed of subdivision.

(16) "Design Standards" means the standards developed by the Covenants Committee pursuant to Article 9 hereof and any standards established by the Declarant during the Development Period.

(17) "Development Period" means the period of time that the Declarant or Builders are engaged in development or sales or activities relating thereto, anywhere on the Property and the Declarant is entitled to exercise certain special declarant rights under the Association Documents. When all the Submitted Land has been conveyed to Owners other than the Declarant or a Builder, and all bonds held by a governmental agency with respect to the Property have been released, then the Development Period shall end.

(18) "Land Records" means the land records of Fairfax County, Virginia, the jurisdiction in which the Property is located.

(19) "Lot" means a portion of the Property which is a separate subdivided lot of record or any other parcel of Submitted Land held in separate ownership (but not including the land designated as Common Area and owned by the Association or dedicated for public street purposes), together with any improvements now or hereafter appurtenant thereto.

(20) "Majority Vote" means a simple majority (more than fifty percent) of the votes entitled to be cast by members present in person or by proxy at a duly held meeting of the members at which a quorum is present. Any vote of a specified percentage of members means that percentage with respect to the total number of votes actually cast by members present in person or by proxy at a duly held meeting at which a quorum is present. Any vote by a specified percentage of the Board of Directors (or committee) means that percentage with respect to votes entitled to be cast by directors (or committee members) present at a duly held meeting of the Board of Directors (or committee) at which a quorum is present. Any vote of or approval by a specified percentage of the Mortgagees means a vote of or approval (whether

actual or presumed) by the Mortgagees of Lots calculated based on one vote for each Lot on which a Mortgage is held by a Mortgagee.

(21) "Mortgagee" means an institutional lender (one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds or business trusts, including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities) holding a first mortgage or first deed of trust ("Mortgage") encumbering a Lot which has notified the Board of Directors of its status in writing pursuant to Section 13.2 hereof and has requested all rights under the Association Documents. Only for the purposes of the notice and inspection rights in Articles 13, 14 and 15 of the Declaration, the term "Mortgagee" shall also include the Federal Housing Administration (FHA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), the Department of Veterans Affairs (VA), the Government National Mortgage Association (GNMA) and any other public or private secondary mortgage market entity participating in purchasing, guarantying or insuring Mortgages which has notified the Board of Directors of such participation in writing ("Secondary Mortgage Agencies").

(22) "Officer" means any Person holding office pursuant to Article 6 of the Bylaws.

(23) "Owner" means one or more Persons who own a Lot in fee simple, but does not mean a Person having an interest in a Lot solely by virtue of a contract or as security for an obligation.

(24) "Person" means a natural person, corporation, partnership, association, trust or other entity capable of holding title or any combination thereof.

(25) "Property" means, at any given time, the Submitted Land, together with all improvements and appurtenances thereto now or hereafter existing.

(26) "Rules and Regulations" means the rules and regulations governing the use, occupancy, operation and physical appearance of the Property adopted from time to time by the Board of Directors.

(27) "Submitted Land" means the land designated as such in Exhibit A hereto and all land which is from time to time submitted to the Declaration (including Lots and Common Area).



(28) "Upkeep" means care, inspection, maintenance, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction.

### Section 1.2. Construction of Association Documents.

(a) Captions. The captions are inserted only for reference, and in no way define, limit or describe the scope of any provision.

(b) Pronouns. The use of the masculine gender shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires.

(c) Severability. Each provision of an Association Document is severable from every other provision, and the invalidity of any one or more provisions shall not change the meaning of or otherwise affect any other provision. To the extent that any provision of the Association Documents is found to be overly broad or unenforceable and a narrower or partially enforceable construction may be given to such provision, then the narrower or partially enforceable construction shall be applied and, to the extent practicable, the provision shall be enforced.

(d) Interpretation. If there is any conflict among the Association Documents, the Declaration and thereafter the applicable Supplementary Declaration shall control, except as to matters of compliance with the Act, in which case the Articles of Incorporation shall control. Particular provisions shall control general provisions, except that a construction consistent with the Act shall in all cases control over any construction inconsistent therewith. The provisions of the Bylaws shall control over any conflicting provision of any rule, regulation or other resolution adopted pursuant to any of the Association Documents. The Association Documents shall be construed together and shall be deemed to incorporate one another in full. Any requirements as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others.

### Section 1.3. The Association.

(a) Creation. The Association is a nonstock corporation organized and existing under the laws of the Commonwealth of Virginia, charged with the duties and vested with the powers prescribed by law and set forth in the Association Documents.

(b) Membership. Members of the Association shall at all times be, and be limited to, the Declarant (during the Development Period) and the Persons who constitute Owners of the

Lots. If more than one Person owns a Lot, then all of the Persons who own such Lot shall collectively constitute one Owner and be one member of the Association. Each such Person is entitled to attend all meetings of the Association. Membership in the Association is mandatory and automatic with ownership of a Lot.

(c) Classes of Members; Voting Rights. The Association shall have the classes of members with the voting rights set forth in Article 4 of the Articles of Incorporation and as follows.

The Class A members shall be the Owners of Lots other than the Declarant. A Class A member shall have one vote for each Lot owned.

The Class B member shall be the Declarant. The Class B member shall have 195 votes less the number of votes held by the Class A members other than Builders when a vote is taken.

After the Declarant Control Period expires, the Declarant as the Class B member shall be entitled to one vote for each Lot owned by the Declarant. After the Development Period ends, the Class B membership shall cease to exist.

(d) Board Authority to Act. Unless otherwise specifically provided in the Act or the Association Documents, all rights, powers, easements, obligations and duties of the Association may be performed by the Board of Directors on behalf of the Association.

(e) Merger or Consolidation. Upon merger or consolidation of the Association with another association formed for similar purposes, the Association's properties, rights and obligations may be transferred to the surviving or consolidated Association, or alternatively, the properties, rights and obligations of the other association may be assumed by the Association, as the surviving corporation. No such merger or consolidation shall effect any revocation, termination, change or addition to this Declaration except pursuant to Articles 14 and 15 hereof.

## ARTICLE 2

### COMMON AREA

Section 2.1. Conveyance; Title. The Declarant shall convey Common Area to the Association in fee simple released from any encumbrance securing the repayment of monetary obligations incurred by the Declarant, but subject to all easements and other encumbrances then of record (including those created by this

Declaration). The Common Area shall be conveyed to the Association before the conveyance of any Lot to an Owner other than the Declarant or a Builder. The Association shall accept title to any real estate or personal property offered to the Association by the Declarant.

Section 2.2. Boundary Adjustments. The Association, acting through its Board of Directors without Owner or Mortgagee approvals, has the power at any time or times, consistent with the then existing zoning or subdivision ordinances of the applicable governmental authority, to transfer part of the Common Area for the purpose of adjusting Lot lines or otherwise in connection with the orderly subdivision and development of the Property; provided, however, that: (i) such transfer shall not reduce the portion of the Property designated as "open space" below the minimum level of "open space" required in the subdivision comprising the Property at the time of the transfer; (ii) the Declarant or other Person requesting the transfer shall transfer or cause to be transferred to the Association as "open space" such portion of the Property as is necessary to maintain the total acreage designated as "open space" at that level existing at the time of the transfer or otherwise reasonably compensate the Association; (iii) the appropriate governmental authorities approve such Lot line adjustments; (iv) documents showing each such Lot line adjustment are submitted to VA if VA is guarantying a mortgage or FHA if FHA is insuring a Mortgage on a Lot affected by the adjustment; and (v) the boundary line adjustment is approved by all Owners of Lots for which the boundaries are being adjusted.

Section 2.3. Regulation of Common Area. The Board of Directors shall have the right to regulate use of the Common Area pursuant to Section 8.3 hereof. The Board of Directors may also mortgage, dedicate or convey Common Area owned in fee simple by the Association or grant easements over and through the Common Area subject to the restrictions in Section 14.4 hereof.

### ARTICLE 3

#### EASEMENTS

Section 3.1. Utility and Development Easements.

(a) General Utility Easement. A non-exclusive blanket easement is hereby granted over and through the Property for the purpose of: (i) installing, constructing, operating, maintaining, repairing or replacing equipment used to provide to any portion of the Property any utilities, including without limitation water, sewer, drainage, gas, electricity, telephone and television service, whether public or private; and (ii) ingress

and egress to install, construct, operate, maintain, repair and replace such equipment. Such easement is hereby granted to any Person providing the aforesaid utilities or installing, constructing, maintaining, repairing or replacing equipment related thereto. Any pipes, conduits, lines, wires, transformers and any other apparatus necessary for the provision or metering of any utility may be installed or relocated only where permitted by the Declarant, where contemplated on any site plan approved by the Declarant or where approved by resolution of the Board of Directors (except that no easement may be granted which runs or will run under a dwelling except to serve such dwelling). Equipment used to provide or meter such utilities or services may be installed above ground during periods of construction if approved by the Declarant. The Person providing a service or installing a utility pursuant to this easement shall install, construct, maintain, repair or replace the equipment used to provide or meter the utility as promptly and expeditiously as possible, and shall restore the surface of the land and the surrounding vegetation to their original condition (to the extent practicable) as soon as possible. If the Person installing the utility or providing a service requests a specific easement by separate recordable document then the Declarant or the Association shall have the power to record a deed locating such easements.

(b) Specific Development Easement Areas. The Declarant hereby reserves to itself and to its successors and assigns, and also grants to the Association, the right to grant and reserve easements, rights-of-way and licenses over and through: (i) the Common Area and (ii) any Lot within ten feet of any boundary line of the Lot (except that no easement may be granted which runs or will run under a dwelling except to serve such dwelling) for the purposes set forth in Subsection 3.1(a) hereof or for any other purpose necessary or desirable for the orderly development of the Property and the adjacent land.

(c) Easements to Facilitate Development.

(1) The Declarant hereby reserves to itself and its successors and assigns and also grants to each Builder a nonexclusive blanket easement over and through the Property for all purposes reasonably related to the development and completion of improvements on the Property, including without limitation: (i) temporary slope and construction easements; (ii) easements for the temporary storage (in a sightly manner) of reasonable supplies of building materials and equipment necessary to complete improvements; (iii) easements for the construction, installation and Upkeep of improvements (e.g., buildings, landscaping, street lights, signage, etc.) on the Property or reasonably necessary to serve the Property; and (iv) easements and the right to reserve easements for storm water management.

(2) Easement to Facilitate Sales. The Declarant hereby reserves to itself, its successors and assigns and also grants to each Builder the right to: (i) use any Lots owned or leased by the Declarant or such Builder, any other Lot with written consent of the Owner thereof or any portion of the Common Area as models, management offices, sales offices, a visitors' center, construction offices, customer service offices or sales office parking areas (provided, however, that the Declarant or Builder, as applicable, shall remain responsible for the operating expenses of any portion of any improvements on the Common Area used exclusively for the foregoing purposes); (ii) place and maintain in any location on the Common Area and each Lot within ten feet of any Lot boundary line abutting a public street or roadway, sidewalks, paths or trails, street and directional signs, temporary promotional signs, plantings, street lights, entrance features, "theme area" signs, lighting, stone, wood or masonry walls or fences and other related signs and landscaping features; and (iii) relocate or remove all or any of the above from time to time at the Declarant's or Builder's, as appropriate, sole discretion. The Association shall have an easement to maintain any permanent signage, landscaping or other improvement installed pursuant to clause (ii) above.

(3) Limitations on a Builder. Any Builder rights hereunder are specifically limited to the portion of the Property being developed by such Builder. Such easement shall be subject to such rules as may be established by the Declarant to maintain reasonable standards of safety, cleanliness and general appearance of the Property. Each Builder shall be required, in connection with the development of the portion of the Property which is owned by such Builder, to comply with the landscaping standards to be adopted by the Declarant to ensure an orderly and uniform landscaping scheme for the Property.

(d) Release of Public Improvement Bonds. The Declarant hereby reserves to itself and its successors and assigns an easement and a right to grant and reserve easements or to vacate or terminate easements across all Lots and Common Area as may be required by any governmental agency or authority in connection with the release of bonds or the acceptance of streets for public maintenance or otherwise held by a governmental agency.

(e) Easement to Correct Drainage. The Declarant reserves to itself and its successors and assigns, and also grants to the Association, an easement and right on, over and under the ground within each Lot and the Common Area to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance, including any necessary right of access. Such right expressly includes the right to cut any trees, bushes or shrubbery, to make any grading

of the land, or to take any other similar action reasonably necessary, following which the Declarant or the Association, as applicable, shall restore the affected property to its original condition as near as practicable.

(f) Dedications and Easements Required by Governmental Authority. The Declarant hereby reserves to itself and its successors and assigns, the right to make any dedications and to grant any easements, rights-of-way and licenses required by any government or governmental agency over and through all or any portion of the Common Area owned in fee simple by the Association.

(g) Storm Water Management Easement. The Declarant hereby reserves to itself and its successors and assigns an easement and the right to grant and reserve easements over and through the Common Area for the construction and Upkeep of storm water management facilities, including storm water retention areas and storm sewers. The Declarant shall also have the right to allow the owners of adjacent properties to tie their storm water management facilities into the storm water management facilities for the Property; provided, however, that the owners of such adjacent properties agree to bear a portion of the expense of Upkeep for the storm water management facilities for the Property in such amount as may be deemed appropriate by the Declarant.

(h) Further Assurances. Any and all conveyances made to the Association or any Owner shall be conclusively deemed to incorporate these reservations of rights and easements, whether or not set forth in such grants. Upon written request of the Declarant, the Association and each Owner shall from time to time sign, acknowledge and deliver to the Declarant such further assurances of these reservations of rights and easements as may be requested.

(i) Duration of Development Rights. The rights and easements reserved by or granted to the Declarant pursuant to this section shall continue throughout the Development Period, unless specifically stated otherwise.

Section 3.2. Association Powers and Rights. The Association's exercise of the rights, powers and easements granted to the Association by Subsections 3.1(a), (b), (c)(2) (ii) and (e) hereof is subject to Section 14.4 hereof; provided, however, that the limitations on duration applicable to the Declarant shall not apply to the Association. If the Declarant or any Owner requests the Association to exercise its powers under this section, the Association's cooperation shall not be unreasonably withheld, conditioned or delayed.

Section 3.3. Easement for Upkeep. The Association, the managing agent and any other Persons authorized by the Board of Directors, is hereby granted the right of access over and through any portion of the Property (excluding any occupied dwelling), in the exercise and discharge of their respective powers and responsibilities, including without limitation to make inspections, correct any condition originating in a Lot or in the Common Area threatening another Lot or the Common Area, correct drainage, perform installations or Upkeep of utilities, landscaping or other improvements located on the Property for which the Association is responsible for Upkeep, or correct any condition which violates the Association Documents. The agents, contractors, Officers and directors of the Association may also enter any portion of the Property (excluding any occupied dwelling) in order to utilize or provide for the Upkeep of the areas subject to easements granted in this Article to the Association. Each Owner shall be liable to the Association for the cost of all Upkeep performed by the Association and rendered necessary by any act, neglect, carelessness or failure to comply with the Association Documents for which such Owner is responsible pursuant to Section 12.1 hereof, and the costs incurred by the Association shall be assessed against such Owner's Lot in accordance with Sections 6.2 and 12.1 hereof.

Section 3.4. Easement for Emergency Access. An easement is hereby granted: (i) to all police, fire, ambulance and other rescue personnel over and through all or any portion of the Property for the lawful performance of their functions during emergencies and (ii) to the Association over and through all Lots, if emergency measures are required in any Lot to reduce a hazard thereto or to any other portion of the Property. The Association is hereby authorized but not obligated to take any such measures.

Section 3.5. Easement for Use of Common Area.

(a) Use and Enjoyment. The Declarant, during the Development Period, and each Owner is hereby granted a non-exclusive right and easement of use and enjoyment in common with others of the Common Area for the benefit of such Owner and such Owners' household, tenants, guests, employees, agents and invitees. Each Owner is also hereby granted non-exclusive easements for access and egress and ingress over the Common Area to the extent necessary to provide vehicular and pedestrian access and utility services to such Lot (including for utility laterals, lead sidewalks and driveway aprons). Such easements may be relocated by the Association, without Owner or Mortgagee approval, but shall not be extinguished by termination of the Declaration or conveyance of the Common Area unless alternatives are provided, if necessary, and the Owner of the Lot consents in writing to the termination of the easements. The foregoing

rights and easements of use and enjoyment and access, ingress and egress shall be appurtenant to each Lot, whether or not mentioned in the deed thereto. Any purported conveyance or other transfer of such rights and easements apart from the Lot to which such rights and easements are appurtenant shall be void.

(b) Delegation. Subject to the Rules and Regulations and such other restrictions as may be adopted by the Association, any Person having the right to use and enjoy the Common Area may delegate such rights to such Person's household, tenants, guests, employees, agents and invitees and to such other Persons as may be permitted by the Association. Such Persons shall have no separate enforcement rights of easements granted under this Declaration.

(c) Limitations. The rights and easements of enjoyment created this section shall be subject (in addition to any easements granted or reserved in this Declaration or pursuant to the other Association Documents) to all rights and powers of the Declarant and the Association when exercised in accordance with the other applicable provisions of the Association Documents, including without limitation the Association's right (acting through its Board of Directors) to regulate the use of the Common Area, to grant easements across the Common Area, to dedicate portions of the Common Area owned in fee simple by the Association and to convey or mortgage the Common Area owned in fee simple by the Association subject to the requirements in Section 14.4 hereof. In the event of a default upon any mortgage of the Common Area by the Association, the lender's rights hereunder shall be limited to a right, after taking possession of such property, to charge reasonable admission and other fees, and, if necessary, to open enjoyment of such property to a wider public, until such debt is satisfied, whereupon possession of the property shall be restored to the Association and the rights of the Owners shall be fully restored.

Section 3.6. Limitations on Exercise of Rights and Easements.

(a) Other Easements. These easements are subject to all other easements and encumbrances of record (including those created by this Declaration).

(b) Notice. The Declarant or the Association, as appropriate, when exercising the rights and easements granted by this Article, shall: (i) give reasonable prior notice to all affected Owners, unless an emergency exists which precludes such notice; (ii) minimize any economic or aesthetic injury to the affected Lots or the Common Area; and (iii) not unreasonably interfere with the affected Owners' use, enjoyment and benefit from such Owners' Lots or the Common Area.



(c) Relocation. If an easement is relocated, the cost of such relocation shall be paid by the party requesting the relocation.

(d) Damage. Any damage resulting from the exercise of the aforesaid rights and easements shall be promptly repaired and the site restored to the extent practicable by the Declarant or the Association, as appropriate, or at the option of the Declarant or the Association, the Person responsible for such damage. In either case, the cost of such repair and restoration shall be paid for by the Person responsible for the damage.

Section 3.7. Land Submitted by Persons Other than the Declarant. Any Person other than the Declarant submitting real estate to this Declaration hereby grants to the Declarant, the Association and to each Owner all rights, easements and other interests with respect to such real estate granted or reserved in this Article and shall provide such further assurances as may be required.

#### ARTICLE 4

##### EXPANSION OF THE PROPERTY

Section 4.1. Supplementary Declarations Made by the Declarant. The Declarant reserves the unilateral right without the approval of the Association, any Owner or Mortgagee to execute and record a Supplementary Declaration, subjecting any portion of the Property to such additional covenants and restrictions as may be necessary to reflect the different characteristics of such portion of the Property as are not inconsistent with the overall scheme of the Declaration; provided, however, that the Declarant shall not have such right with respect to a Lot after the conveyance of such Lot to an Owner other than the Declarant without the written consent of such Owner to the extent such Owner's Lot is subject to the Supplementary Declaration.

Section 4.2. Expansion by the Association. With the written consent of the fee simple owner (if not the Association), and upon approval from members entitled to cast sixty-seven percent of the total number of votes of each class of members and the written consent of the Declarant during the Development Period, the Association may submit additional land to the provisions of this Declaration and the jurisdiction of the Association, in accordance with the procedures set forth in Section 4.3 and with the additional approvals required by Article 14.

Section 4.3. Procedure for Expansion. The Association may record one or more amendments to the Declaration submitting the land described therein to this Declaration and to the

jurisdiction of the Association ("Supplementary Declarations"). Each Supplementary Declaration shall include a legally sufficient description of the land added and shall designate such land with the term Phase followed by a unique identifier so as to differentiate between each phase of the Property. Any Supplementary Declaration may contain such additions to the provisions in this Declaration as may be necessary to reflect the different character of the land described therein and as are not inconsistent with the overall scheme of this Declaration; provided, however, that such additions shall not apply to any Lot previously submitted to this Declaration without the written consent of the Owner of the Lot subject to the additional provisions. Upon recording a Supplementary Declaration submitting land to the Declaration, the provisions of the Declaration shall apply to the land thereby added as if such land were originally part of the Submitted Land.

Section 4.4. Withdrawable Real Estate. During the Development Period, the Declarant has the unilateral right without the consent of the Association, any Owner or Mortgagee to execute and record an amendment to the Declaration withdrawing any portion of the Submitted Land dedicated or to be dedicated for public purposes.

## ARTICLE 5

### SPECIAL DECLARANT RIGHTS; TRANSFER

Section 5.1. Special Declarant Rights. Special declarant rights are those rights reserved for the benefit of the Declarant as provided for in the Association Documents, and shall include without limitation the following rights: (i) to grant, terminate or use easements over and through the Property for the purpose of making improvements within the Property as provided in Article 3 hereof; (ii) to maintain models, management offices, construction offices, sales offices, customer service offices or offices for similar purposes and signs advertising the Property as provided in Article 3 hereof; (iii) to exercise the rights and votes of the Class B member of the Association; (iv) to remove and replace any director elected by the Class B member; (v) to make unilateral amendments to the Association Documents as provided in Sections 4.1, 4.4 and 14.1 hereof; (vi) to withdraw Submitted Land pursuant to Section 4.4 hereof; and (vii) to exercise any other rights given to the Declarant. The Persons comprising the Declarant may each exercise its declarant rights unilaterally without the approval of the other Persons comprising the Declarant or the Association, Owners or Mortgagees.

Section 5.2. Transfer of Special Declarant Rights. The Declarant may transfer special declarant rights created or

reserved under the Association Documents to any Person acquiring Lots by an instrument evidencing the transfer recorded in the Land Records. The instrument is not effective unless executed by the transferor and transferee; provided, however, that: (1) a Person acquiring all the Lots owned by a declarant at the time of transfer under a mortgage or deed of trust by foreclosure or deed in lieu of foreclosure; or (2) a Person acquiring all the remaining undeveloped Lots, may unilaterally sign an instrument to acquire some or all of the special declarant rights with respect to the land acquired. A partial transfer of special declarant rights does not prevent the transferor declarant from continuing to exercise special declarant rights with respect to land retained by such declarant. The instrument providing for a partial transfer of special declarant rights shall allocate voting rights between the transferor and the transferee or such Persons shall agree among themselves and notify the Association. Each Person having declarant rights under the Association Documents has the right to transfer such rights unilaterally with respect to land owned by such Person. If at any time the Declarant ceases to exist and has not made an assignment of the special declarant rights, a successor may be appointed by an amendment to the Declaration made pursuant to Section 15.2 hereof.

Section 5.3. No Obligations. Nothing contained in the Association Documents shall impose upon the Declarant or its successors or assigns any obligation of any nature to build, construct, renovate or provide any improvements. Neither the Declarant nor its successors or assigns shall be liable to any Owner or occupant by reason of any mistake in judgment, negligence, nonfeasance, action or inaction or for the enforcement or failure to enforce any provision of this Declaration.

## P A R T T-W-O

## ARTICLE 6

COMMON EXPENSES AND ASSESSMENTSSection 6.1. Determination of Common Expenses and Budget.

(a) Fiscal Year. The first fiscal year of the Association shall be as determined in accordance with Section 10.4 of the Bylaws.

(b) Preparation and Approval of Budget.

(1) At least fifty days before the beginning of each fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary for the ensuing fiscal year to pay the cost of management and Upkeep of the Common Area and, to the extent provided in the Association Documents, Upkeep of the Lots, and the cost of other expenses that may be declared to be Common Expenses by the Association Documents or by a resolution of the Board of Directors, including without limitation services provided to the Owners, Lots or Common Area.

(2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital (available cash for day-to-day expenses which is otherwise uncommitted), a general operating reserve (including an amount to cover operating losses due to insurance deductibles) and reserves for contingencies (potential costs or liabilities which have not been incurred but which should be planned for) and reserves for replacements. At least forty days before the beginning of each fiscal year, the Board of Directors shall make available a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses and provide a copy of such budget to each Owner. Such budget shall constitute the basis for determining the Assessment against each Lot.

(3) The budget shall also reflect the separate assessment of Limited Common Expenses, including without limitation certain expenses (and reserves) relating to or benefiting one or more but less than all of the Lots, whether categorized by location or type of expense. Such expenses shall be assessed only against the Lots benefited in accordance with Subsection 6.2(a)(2) hereof.

(c) Installment Payments and Due Dates. Any and all such Assessments and other charges shall be a lien against each

Owner's Lot as provided in Section 12.2 hereof. On or before the first day of each fiscal year, and the first day of each succeeding payment period in such fiscal year, each Owner shall pay to such Person at such place as the Board of Directors may direct that installment of the Annual Assessment which is due during such period. The Board of Directors shall establish one or more payment periods and the due dates for each such payment in each fiscal year; provided, however, that payments shall be due not less than quarterly or more frequently than monthly unless specifically provided otherwise herein.

(d) Initial Assessment and Initial Capital Payment.

(1) The first installment of the Annual Assessment for Common Expenses shall be prorated based upon the number of days remaining in the payment period and shall be due on the date the Lot is first subject to assessment pursuant to Section 6.2 hereof. Any additional amounts due shall be divided by the number of full payment periods (if any) remaining in that fiscal year and paid in equal installments on the first day of each payment period remaining in that fiscal year.

(2) Notwithstanding the foregoing, the Declarant may, at the Declarant's sole option, decide to pay all ordinary operating costs of the Association for a period of time not to exceed two years. If the Declarant so elects, the Association will incur no Common Expenses and thus no Assessments will be collected during such time.

(3) Neither Annual Assessments nor Special Assessments may be used for construction of capital improvements during the Development Period if value is to be given for such improvements.

(4) Each initial purchaser, other than the Declarant or a Builder, shall pay at settlement an "Initial Capital Payment" equal to one-sixth of the Annual Assessment (excluding Limited Common Expenses) for such purchaser's Lot to provide necessary working capital for the Association. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs, as the Board of Directors may determine. Such funds shall not be used to pay or offset expenses incurred by the Declarant in the development of the Property.

(e) Effect of Failure to Prepare or Adopt Budget. For the first fiscal year of the Association following the first conveyance of any Lot to an Owner other than the Declarant or a Builder, and for all fiscal years thereafter, the Board of Directors shall establish the Annual Assessment against each Lot for Common Expenses. The failure or delay of the Board of

Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay the allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Owner shall continue to pay Assessments at the rate established for the previous fiscal year until notified of the new payment which is due on the first day of the next payment period which begins more than ten days after such new annual or adjusted budget is adopted and the Owner receives such notice.

Section 6.2. Assessments.

(a) Purpose and Rate of Assessment.

(1) Subject to the provisions of Subsections 6.2(a)(2) and (3) hereof and Section 6.3 hereof, and after determining the total amount of the estimated funds required: (i) for the management and Upkeep of the Property; (ii) for services to the Lots and Owners; (iii) to maintain adequate reserves; or (iv) to meet obligations of the Association established pursuant to this Declaration or other shared maintenance agreements, subdivision documents, easements or governmental requirements, the Board of Directors shall establish an Annual Assessment rate for each Lot for Common Expenses against each Lot in the same amount against all Lots subject to assessment.

(2) Limited Common Expense Assessment. Limited Common Expenses shall be assessed only against the Lots benefited in proportion to their relative Common Expense liability inter se or based on usage, as appropriate. Such Limited Common Expenses shall be determined as follows:

(i) Any service or utilities to Lots which vary based on usage shall be assessed against the Lots served based on usage;

(ii) Any expenses proposed by the Board of Directors or a specific group of Owners as Limited Common Expenses against a specific group of Lots and agreed to by members entitled to cast a majority of the total number of votes with respect to such Lots, shall be assessed against such Lots as such Owners may agree or on the basis set forth in Subsection 6.2(a)(1) hereof, inter se; or

(iii) Any expenses designated in a Supplementary Declaration as Limited Common Expenses shall be paid by the Owners of Lots subject thereto.

(3) Limitations on Increases.

(A) Maximum Assessments. For the first fiscal year following recordation of this Declaration, the maximum Annual Assessment against Lots for Common Expenses, including Limited Common Expense, shall be Six Hundred Dollars (\$600.00), plus any additional amount set forth in a Supplementary Declaration with respect to such Lot (if any).

(B) Automatic Increases in Maximum Assessment.

(1) Each fiscal year thereafter, the maximum Annual Assessment set forth above or in a Supplementary Declaration shall increase the greater of:

(i) ten percent; or

(ii) the increase in the U.S. Department of Labor Consumer Price Index - All Urban Consumers (1982-84=100) during the last twelve month period for which figures are available at the date when the Board adopts the budget; and the proportionate amount by which any real estate taxes or other governmental restrictions, casualty and other insurance premiums and landfill fees, trash dumping fees or other governmental fees payable by the Association have increased over amounts payable the previous fiscal year. Wherever in the Association Documents the U.S. Department of Labor Consumer Price Index - All Urban Consumers (1982-84=100) is used, if such index ceases to incorporate a significant number of items now incorporated therein, ceases to reflect the increases in expenses of the Association, or if a substantial change is made in the method of establishing such index, then such other reliable governmental or other nonpartisan index designated by the Board of Directors shall be used.

(2) The Board of Directors may determine to set Annual Assessments at an amount less than the applicable maximum Annual Assessment for any fiscal year if, after consideration of current expenses and future needs of the Association, it deems it advisable. The actual Assessment set by the Board shall not affect calculation of automatic increases in the maximum Annual Assessments.

(C) Increases Approved by Member Vote. The Board of Directors may not levy an Annual Assessment or an Additional Assessment which in the aggregate will exceed the maximum Annual Assessment for such fiscal year unless an increase in the maximum Annual Assessment is approved by either: (i) the members obligated to pay such Assessment by at least a Sixty-seven Percent Vote of each class of such members at a meeting

where a sixty percent quorum is present and called for the purpose of approving such increase in the maximum Annual Assessment (if such quorum is not obtained at the meeting required by this subsection, a second meeting of the Association may be held within sixty days of the first meeting at which only a thirty percent quorum is required); or (ii) with the written approval of such members entitled to cast more than sixty-seven percent of the total number of votes of each class of such members.

(b) Additional Assessments. The Board of Directors may levy Additional Assessments on the Lots subject to assessment pursuant to 6.2(a)(1) hereof; provided, however, that such Additional Assessment when added to the Annual Assessment shall not exceed the maximum Annual Assessment per Lot unless approved by the members in accordance with Section 6.2(a)(3)(C) hereof. The Board of Directors shall give notice of any Additional Assessment to the Owners specifying the amount and reasons therefor, and such Assessment shall, unless otherwise specified in the notice, be payable in full with the next periodic installment which is due more than ten days after the date of such notice or in not more than six equal periodic installments, as the Board may determine. Such Assessment shall be a lien as set forth in Section 12.2 hereof.

(c) Individual Assessments. The Board of Directors shall have the power to assess an Owner's Lot individually: (i) for the amount of any costs incurred by the Association pursuant to Subsection 7.2(a) hereof in performing Upkeep that the Owner failed to perform as required by that section; (ii) for the amount of any charges imposed on that Owner pursuant to Subsection 12.1(h) hereof; and (iii) for any costs incurred by the Association because of any violation or negligence for which that Owner is responsible under Section 12.1 hereof. Each such Assessment shall be due ten days after notice thereof is given to the Owner unless the notice specifies a later date. Individual Assessments are not included in or subject to the applicable maximum Annual Assessment.

(d) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, contingencies and replacements. Such funds shall be a Common Expense of the Association.

(e) Surplus and Shortfalls.

(1) Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board of Directors: (i) be placed in reserve accounts; (ii) be placed in a special account to be expended solely for the general welfare of the Owners; (iii) be credited



to the next periodic installments due from Owners under the current fiscal year's budget, until exhausted, (iv) be held to offset future deficits; or (v) be distributed to each Owner (including the Declarant) in proportion to the percentage (if any) of Assessments paid by such Owner.

(2) Unless the budget for the succeeding fiscal year is adjusted to amortize the deficit during such fiscal year or a surplus exists from a preceding fiscal year, any net shortage in expenses (including reserves) shall be assessed promptly against the Owners as an Additional Assessment in Accordance with Section 6.2(b); provided, however, that if unoccupied Lots owned by the Declarant or a Builder are exempt from full Assessment in accordance with Section 6.3, no Additional Assessment shall be levied during the Declarant Control Period and the Declarant shall make up any net shortage (expenses and reserves) in the Association's budgeted income over the Association's ordinary operating expenses and annual reserve contributions as provided in Section 6.3; provided, however, that the Declarant is not obligated to pay any expenses or reserve contributions that the Association is unable to meet because of non-payment of any Owner's Assessment or unusual or extraordinary expenses not part of the operating budget.

Section 6.3. Assessment Against Lots Owned by the Declarant and Builders; Exemptions.

(a) Special One-time Assessment. The Declarant, or the Builder if determined by the Declarant, shall make a one-time payment of One Hundred Dollars (\$100.00) with respect to each Lot. The foregoing sum shall be due upon conveyance of the Lot by the Declarant.

For so long as the Declarant or Builders pay the one-time Assessment for the unoccupied Lots, the Builder or Declarant, as applicable, must maintain such Lot. In addition, during the Declarant Control Period, the Declarant must fund all operating budget deficits, including reasonable reserves, as determined by the Board of Directors. The Declarant's obligation under this section does not include any expenses or reserve contributions that the Association is unable to meet because of nonpayment of any Owner's Assessment or because of unusual or extraordinary expenses not part of the operating budget. The obligations of the Declarant and Builders under this section shall be a lien against the portion of the Property owned by the Declarant or such Builder, as appropriate. After such Lots are initially occupied or conveyed to Owners other than the Declarant or a Builder, such Lots shall be assessed at the annual rate for similar Lots not owned by the Declarant or a Builder.

(b) Exemptions. The Common Area and any properties dedicated to a public authority or exempt from taxation by a public authority shall be exempt from Assessment and the lien created hereby. Unoccupied Lots (lots containing dwellings which have never been occupied) owned by the Declarant or a Builder shall be exempt from further Annual or Additional Assessments for Common Expenses for so long as the Declarant or Builder pays the one-time Assessment in accordance with subsection (a). Lots used for model home purposes shall be considered occupied and shall be subject to full Assessment.

Section 6.4. Liability for Common Expenses.

(a) Declarant and Owner Liability. Each Owner of a Lot shall pay to the Association all Assessments and other charges assessed by the Board of Directors pursuant to the provisions of this Declaration. Each Owner shall be personally liable for all Assessments against such Owner's Lot. No Owner shall be exempted from liability for Assessment by reason of waiver of the use or enjoyment of any of the Common Area or by abandonment of the Lot or by temporary unavailability of the Common Area. No Owner shall be liable for the payment of any part of the Common Expenses assessed against the Lot subsequent to the date of recordation of a conveyance by such Owner in fee of such Lot. Prior to or at the time of any such conveyance, all liens, unpaid charges and Assessments shall be paid in full and discharged. The purchaser of a Lot shall be jointly and severally liable with the selling Owner for all unpaid Assessments against the latter for the proportionate share of the Common Expenses up to the time of such recordation not to exceed the greater of: (i) one-sixth of the Annual Assessment for Common Expenses, including Limited Common Expenses, or (ii) the amount shown on a Statement of Common Expenses, without prejudice to the purchaser's right to recover from the selling Owner amounts paid by the purchaser therefor. Any such purchaser may rely on a Statement of Common Expenses obtained pursuant to Section 6.6.

(b) Mortgagee Liability. Each holder of a Mortgage who comes into possession of a Lot by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Lot free of any claims for unpaid Assessments or charges against such Lot which accrue prior to the time such holder or purchaser comes into possession thereof, except as provided below and for claims for a pro rata share of such Assessments or charges resulting from a pro rata reallocation of such Assessments or charges to all Lots including the mortgaged Lot assessed after the holder of a Mortgage or purchaser takes possession. The lien created by Section 12.2 hereof shall cease to exist with respect to Assessments and charges levied prior to the time title is transferred by foreclosure or by deed or assignment in lieu thereof; provided,

however, that if the proceeds of a foreclosure exceed the total amount due to the holder of the Mortgage, the excess shall first be paid to the Association and applied to the satisfaction of the Association's lien.

Section 6.5. Collection of Annual Assessments. Any Assessment, or installment thereof, not paid within ten days after the due date shall be delinquent and shall accrue a late charge in the amount of Ten Dollars, or such other amount as may be established from time to time by the Board of Directors. The Board of Directors, or the managing agent at the request of the Board, shall take prompt action to collect any Assessments due from any Owner which remain unpaid for more than thirty days after the due date for payment thereof.

Section 6.6. Statement of Common Expenses. The Board of Directors or managing agent shall provide any Owner, contract purchaser or Mortgagee, within fourteen days after a written request therefor, with a written statement of all unpaid Assessments due with respect to a specific Lot (or a statement that the amount of unpaid Assessments is zero) as part of the "Association Disclosure Packet" substantially in the form attached as Exhibit B to the Bylaws or otherwise. No contract purchaser, Mortgagee or purchaser from a Mortgagee requesting such a statement shall be liable for, nor shall the Lot conveyed to such Person relying on such statement be subject to a lien for, any unpaid Assessments due prior to the date of such statement in excess of the amount set forth on such statement; provided, however, that this section shall not be interpreted to release any Person from personal liability for such Assessments levied while such Person owned the Lot. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation.

## ARTICLE 7

### OPERATION OF THE PROPERTY

Section 7.1. Upkeep by Association. (a) The Association shall be responsible for the management and Upkeep of all of the Common Area. The Association shall not have any responsibility for the Upkeep of any Lot except for those responsibilities and duties specifically enumerated within the Association Documents, the subdivision documents or separate easement agreements. If the Board of Directors determines that certain Upkeep was necessitated by the negligence, misuse or misconduct of an Owner or for which an Owner is responsible pursuant to Section 12.1 hereof, the cost of such Upkeep shall be assessed against such Owner's Lot pursuant to Subsections 6.2(c) and 12.1(h) hereof.

The Board of Directors shall establish the standard for Upkeep of the Common Area in its sole discretion.

(b) Entrance Features and Rights-of-Ways. The Board of Directors may also determine to provide for Upkeep of the center islands, road frontage (including public rights-of-way to the extent not maintained by the appropriate governmental authorities and to the extent permitted by the appropriate governmental authorities) of all public roads within, adjacent to or leading to the Property, such Upkeep to include without limitation entrance features, sidewalks, trails, project, street, traffic and directional signage, bus shelters, pedestrian underpasses, street lights, landscaping and associated lighting and irrigation systems but not including street pavement area.

(c) Shared Maintenance. The Board of Directors may enter into shared maintenance agreements to maintain areas whether or not located within the Property including but not limited to storm water management or drainage easements and facilities, landscaping, entrance features, signage, trails, sidewalks and areas along streets and roadways (including within public rights-of-way to the extent not maintained by the appropriate governmental authorities). The Association shall assume responsibilities under a certain Drainage Basin Agreement with The Price Reit, Inc. recorded subsequent hereto which allocates maintenance responsibilities for the storm water detention basin serving the Property.

(d) Other Services. To the extent determined to be reasonably necessary or desirable by the Board of Directors, the Association may provide trash collection or cable television or similar services to the Owners as a Common Expense or a Limited Common Expense, as appropriate.

Section 7.2. Upkeep of Lots. Each Owner shall keep such Owner's Lot and all improvements located on the Lot (including lead sidewalks, driveway aprons and utility laterals serving such Lot, whether or not located on such Lot) in good order, condition and repair and in a clean and sanitary condition, including without limitation all necessary grounds maintenance except within the easement areas maintained by the Association and except as may be otherwise provided in a Supplementary Declaration. Each Owner shall perform this responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. If any Owner shall fail to keep such Owner's Lot in as good repair and condition as when acquired (normal wear and tear excepted) and in a neat and orderly condition, consistent with such Rules and Regulations as the Board of Directors may promulgate, then the Board or the Covenants Committee may, pursuant to resolution, give notice to that Owner

of the condition complained of, specifying generally the action to be taken to rectify that condition. If the Owner fails to take the actions specified or to otherwise rectify the condition within thirty days after the date the notice is given, or such other period as may be specified in the notice if the circumstances warrant a different period, the Board of Directors shall have the right, pursuant to Section 3.3 and Subsection 12.1(f) hereof and any resolutions adopted by the Board of Directors, to rectify that condition by taking such action (or by causing such action to be taken) as was specified in the notice. The costs incurred in rectifying the condition shall be assessed against such Owner's Lot in accordance with Subsection 6.2(c) and Section 12.1 hereof. The Owner shall reimburse the Association within thirty days after receipt of a statement for such expenses from the Board.

Section 7.3. Additions, Alterations or Improvements by the Board of Directors. Whenever in the judgment of the Board of Directors the Common Area shall require capital additions, alterations or improvements (other than for Upkeep) costing in excess of twenty-five percent in the aggregate of the total Annual Assessment for Common Expenses for that fiscal year during any period of twelve consecutive months, the making of such additions, alterations or improvements requires a Majority Vote of the members, and the Board of Directors shall assess all Owners benefited for the cost thereof as a Common Expense or a Limited Common Expense depending on the nature of the improvement. Any capital additions, alterations or improvements (other than for Upkeep) costing in the aggregate twenty-five percent or less of the total Annual Assessment for Common Expenses for that fiscal year during any period of twelve consecutive months may be made by the Board of Directors without approval of the members and the cost thereof shall constitute a Common Expense or a Limited Common Expense depending on the nature of the improvements. Any assessments resulting from expenditures authorized under this section must also comply with Paragraph 6.2(a)(3) hereof which imposes limitations on increases in Assessments above a specified maximum. If member approval is required to increase the applicable maximum Annual Assessment, such approval shall be obtained simultaneously with the vote required by this section.

#### ARTICLE 8

##### RESTRICTIONS ON USE OF LOTS AND COMMON AREA; RULES AND REGULATIONS

Section 8.1. Permitted Uses. Except as otherwise provided in the Association Documents, no Lot shall be used for non-

residential purposes except for Association offices (if any) and recreational uses associated with the dwellings.

Notwithstanding the foregoing, nothing in the Association Documents shall be construed to prohibit the Declarant or its designees from using any Lot owned by the Declarant (or any other Lot with the permission of the Owner thereof) or any portion of the Common Area for promotional, marketing, display or customer service purposes (such as a visitors' center) or for the settlement of sales of Lots. Further, the Declarant specifically reserves the right to operate a construction office or a rental, brokerage and management office at any time on Lots owned or leased by the Declarant (or any other Lot with the permission of the Owner thereof) and on any portion of the Common Area, to the extent permitted by law. The Declarant may assign its rights under this subsection to or share such rights with one or more other Persons, exclusively, simultaneously or consecutively with respect to the Common Area and Lots owned or leased by the Declarant or such Persons.

Section 8.2. Restrictions on Use.

(a) No Waste. Nothing shall be done or kept on the Property which will increase the rate of insurance for the Common Area or any part thereof applicable for permitted uses without the prior written consent of the Board of Directors; including without limitation any activities which are unsafe or hazardous with respect to any person or property. No Person shall permit anything to be done or kept on the Property which will result in the cancellation of any insurance on the Common Area or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste will be committed on the Property.

(b) Compliance with Laws. No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Owner, the Association or the Declarant, whichever shall have the obligation for the Upkeep of such portion of the Property, and, if the Association, then the cost of such compliance shall be a Common Expense or Limited Common Expense, as appropriate.

(c) Harmful Discharges. There shall be no emissions of dust, sweepings, dirt, cinders, odors, gases or other substances into the atmosphere (other than normal residential chimney or outdoor grill emissions), no production, storage or

discharge of hazardous wastes on the Property or discharges of liquid, solid wastes or other harmful matter into the ground or any body of water, if such emission, production, storage or discharge may adversely affect the use or intended use of any portion of the Property or may adversely affect the health, safety or comfort of the occupants of the Lots. No waste nor any substance or materials of any kind shall be discharged into any public sewer serving the Property or any part thereof in violation of any regulation of any public body having jurisdiction over such public sewer.

(d) Noise. No Person shall cause any unreasonably loud noise (except for security devices) anywhere on the Property, nor shall any Person permit or engage in any activity, practice or behavior for the purpose of causing annoyance, discomfort or disturbance to any Person lawfully present on any portion of the Property.

(e) Obstructions. No Person shall obstruct any of the Common Area or otherwise impede the rightful access of any other Person on any portion of the Property upon which such Person has the right to be. No Person shall place or cause or permit anything to be placed on or in any portion of the Common Area without the approval of the Board of Directors. Nothing shall be altered or constructed in or removed from the Common Area except with the prior written approval of the Board of Directors.

(f) Association Property. The Common Area shall be used only for the furnishing of the services and facilities for which the same is reasonably suited and which are incident to the use and occupancy of the Lots. The improvements located on the Common Area, if any, shall be used only for their intended purposes. Except as otherwise expressly provided in the Association Documents, no Owner shall make any private, exclusive or proprietary use of any of the Common Area without the prior written approval of the Board of Directors, and then only on a temporary basis. No Person shall engage or direct any employee of the Association on any private business of the Owner or otherwise direct, supervise or in any manner attempt to assert control over such employee during the hours such employee is employed by the Association.

(g) Signs. Except for such signs as may be posted by the Declarant or a Builder (as permitted by the Declarant) for promotional or marketing purposes or by the Association, no signs of any character shall be erected, posted or displayed in a location that is visible from the Common Area or any other Lot that does not comply with Design Standards without the written approval of the Covenants Committee.

(h) Trash. Trash storage and collection shall be in accordance with the Rules and Regulations. Except in connection with construction activities, no burning of any trash and no accumulation or storage of litter, refuse, bulk materials, building materials or trash of any other kind shall be permitted on any Lot. Trash containers shall not be permitted to remain in public view from the Common Area or another Lot except on days of trash collection. The Board of Directors may determine to negotiate a trash service contract on behalf of some or all of the Owners, the cost of which shall be a Common Expense or a Limited Common Expenses, as appropriate. No incinerator shall be kept or maintained upon any Lot without the written approval of the Declarant during the Development Period or the Board of Directors thereafter.

(i) Landscaping; Utility Lines. No tree, hedge or other landscape feature shall be planted or maintained in a location which obstructs sight-lines for vehicular traffic on public or private streets. Pavement, plantings and other landscape materials shall not be placed or permitted to remain upon any Lot: (i) if such materials may damage or interfere with any easement for the installation or maintenance of utilities; (ii) in violation of the requirements of such easements; (iii) unless in conformity with public utility standards; or (iv) if such materials may unreasonably change, obstruct or retard direction or flow of any drainage channels. Otherwise, the installation of such materials within utility easements shall be permitted. Except for hoses and temporary lines and the like which are reasonably necessary in connection with construction activities or normal landscape maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, television or telephone cable, electric line or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground without the written approval of the Declarant during the Development Period or the Board of Directors thereafter.

(j) Temporary Structures. No structure of a temporary character, and no trailer, tent, shack, pen, kennel, run, shed or other temporary accessory building shall be erected, used or maintained on any Lot except in connection with construction activities or as approved in writing by the Declarant during the Development Period or the Covenants Committee thereafter.

(k) Trees and Lawns. No live trees with a diameter in excess of four inches, measured twelve inches above ground, nor trees in excess of two inches in diameter, similarly measured, which are generally known as flowering trees (such as dogwood or redbud) or as broad leaf evergreens (such as holly, laurel, or rhododendron), no live vegetation on slopes of greater than twenty percent gradient or marked "no cut" areas on approved site plans may be cut without prior approval of the Covenants



Committee unless necessary to construct improvements based on plans approved in writing by the Declarant or the Covenants Committee. The Association shall set rules for cutting of trees to allow for selective clearing or cutting.

(l) Antenna. No outside antenna, satellite dish, or amateur radio equipment or similar equipment shall be maintained upon the Property without written approval of the Declarant during the Development Period or the Covenants Committee thereafter. The Board of Directors may maintain a master antenna, satellite dish or similar equipment to serve the Property.

(m) Fences. Except for any fence installed by the Declarant or a Builder (if permitted by the Declarant) or by the Association, no fence shall be installed except with the written approval of the Covenants Committee. No chain link fence shall be permitted on the Property; provided, however, that the Declarant or its designees may erect a chain link fence for the temporary storage of building materials for the protection of building sites or storm water management ponds or for other construction or safety purposes.

(n) Vehicles. Except in connection with construction activities, no trucks or vans upon which commercial signage or equipment or materials is visible, or trailers, campers, recreational vehicles, boats or other large vehicles, including grounds maintenance equipment, may be parked on any portion of the Common Area or any portion of a Lot visible from the Common Area or another Lot or on any public right-of-way within or adjacent to the Property, unless expressly permitted by the Board of Directors and only in such parking areas or for such time periods (if any) as may be designated for such purpose. Parking of all such vehicles and related equipment, other than on a temporary and non-recurring basis, shall be in garages or screened enclosures approved by the Covenants Committee or in areas designated by the Board of Directors (if any). No junk or derelict vehicle or other vehicle on which current registration plates and current county and state inspection permits are not displayed shall be kept upon any portion of the Common Area or any portion of a Lot visible from the Common Area or another Lot or on any public right-of-way within or adjacent to the Property. Vehicle repairs are not permitted, except in accordance with the Rules and Regulations; provided, however, that noncommercial repair of vehicles is permitted within enclosed structures. All motor vehicles, including without limitation trail bikes, motorcycles, dune buggies and snowmobiles, shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on paths and walkways or unpaved portions of Common Area, except such vehicles are authorized by the Board of Directors as needed to maintain, repair or improve the Common Area.

(o) Timeshares. No Lot shall be subjected to or used for any timesharing, cooperative, licensing or other arrangement that would entail weekly, monthly or any other type of revolving or periodic occupancy by multiple owners, cooperators, licensees or timesharing participants.

(p) Animals. The maintenance, keeping, boarding or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited on any Lot or upon the Common Area, except that the keeping of guide animals and reasonable number of orderly domestic pets (e.g., dogs, cats or caged birds) is permitted, subject to the Rules and Regulations adopted by the Board of Directors; 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 days written notice from the Board of Directors. Pets shall not be permitted upon the Common Area unless accompanied by someone who can control the pet and unless carried or leashed. Pet droppings shall be cleaned up by the Owner responsible for the pet being on the Property. 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 free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Property. All pets shall be registered and inoculated as required by law. The appropriate governmental authorities shall have an easement across the Property to enforce local animal control laws and ordinances.

(q) Lighting. No exterior lighting shall be directed outside the boundaries of a Lot without the written approval of the Covenants Committee.

(r) Mailboxes and Newspaper Tubes. Only mailboxes and newspaper tubes meeting Design Standards or approved in writing by the Covenants Committee are permitted.

(s) Clothes Drying Equipment. No exterior clotheslines or other clothes drying apparatus shall be permitted on any Lot, unless approved in writing by the Covenants Committee. It is initially contemplated that no exterior clotheslines or other exterior clothes drying apparatus will be permitted.

(t) Professional Offices. No Lot shall be used for any business, commercial, manufacturing, mercantile, storing, vending or other non-residential purpose; provided, however, that an Owner may maintain an office or home business in the dwelling constructed on such Owner's Lot if: (i) such office or business generates no significant number of visits (as determined by the Board of Directors) by clients, customers or other persons related to the business; (ii) no equipment or other items related to the business are stored, parked or otherwise kept on such Owner's Lot or the Property outside of an approved enclosure; and (iii) such Owner has obtained approvals for such use as may be required by the appropriate local governmental agency. As a condition to such use, the Board may require the Owner to pay any increase in the rate of insurance or other costs for the Association which may result from such use.

(u) Garages. No garage shall be converted to living space or used for storage or other purposes which would prevent the parking of the number of vehicles for which the garage was designed. This covenant may be enforced by the appropriate agency of Fairfax County, Virginia and may not be modified without the approval of the appropriate agency of the County.

(v) Construction Activities. This section shall not be construed as forbidding any work involved in the construction or Upkeep of any portion of the Property so long as such work is undertaken and carried out: (i) with the minimum practical disturbance to Persons occupying other portions of the Property; (ii) in such a way as does not violate the rights of any Person under other provisions of this Declaration; and (iii) in accordance with all applicable restrictions in the Rules and Regulations, the resolutions of the Board of Directors and the other provisions of this Declaration. The Board of Directors may approve temporary structures for construction purposes which may otherwise be in violation of the Association Documents or the Rules and Regulations.

Section 8.3. Rules and Regulations. The Board of Directors shall have the power to adopt, amend and repeal Rules and Regulations restricting and regulating the use and enjoyment of the Property or of any portion thereof and the actions of the Owners and occupants which affect the Property, which may supplement, but may not be inconsistent with the provisions of the Association Documents. For the purposes of interpretation and enforcement of the Rules and Regulations, the term Property shall be deemed to include the land immediately adjacent to the Property within the public rights-of-ways or otherwise to the extent an Owner or occupant's actions affect the appearance of the Property. Rules and Regulations governing the actions of Owners or occupants on land adjacent to the Property shall be consistent with and reasonably necessary to the maintenance of a

uniform quality of appearance for the Property. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Owner. Changes to the Rules and Regulations shall be published prior to the time when the same shall become effective and copies thereof shall be provided to each Owner. The Rules and Regulations shall not unreasonably interfere with the use or enjoyment of the Lots or Common Area. Also, the Board of Directors may issue temporary exceptions to any prohibitions expressed or implied by this Article, for good cause shown.

Section 8.4. Exclusion for the Declarant and Designees of the Declarant. Notwithstanding any other provision of the Association Documents, neither the restrictions in this Article nor the Rules and Regulations of the Association shall apply to any otherwise lawful acts or omissions of the Declarant or of any Builder during the Development Period. This exception for Builders shall be subject to such rules as may be established by the Declarant for safety or to maintain the appearance of the Property.

Section 8.5. Leasing and Resale of Lots.

(a) Leasing. No dwelling or any portion thereof shall be used or occupied for revolving use, transient or hotel purposes or in any event leased for an initial period of less than six months. No portion of any dwelling (other than the entire dwelling) shall be leased for any period; provided, however, that a reasonable number of roommates is permitted. No Owner shall lease a Lot other than on a written form of lease: (i) requiring the lessee to comply with the Association Documents; and (ii) providing that failure to comply constitutes a default under the lease. The Board of Directors may suggest or require a standard form language for use by Owners. The Board may require each Owner to forward a conformed copy of any such lease to the Board of Directors. The foregoing provisions of this subsection, except the restriction against use or occupancy for hotel or transient or revolving use purposes, shall not apply to Lots owned by the Association, by the Declarant, or by a Mortgagee in possession of a Lot as a result of foreclosure, judicial sale or a proceeding in lieu of foreclosure.

(b) Resale.

(1) Reference to Declaration. The deed or instrument transferring title to any Lot shall contain a provision incorporating by reference provisions of this Declaration, as well as any applicable Supplementary Declaration. Notwithstanding failure to include a reference to this Declaration in a deed or instrument transferring title to a Lot, the covenants, restrictions, easements, conditions, charges and

liens set forth herein shall encumber the Lot as though reference thereof was set forth in such deed or instrument.

(2) Notification. The contract seller of a Lot shall notify the Board of Directors of the contract purchaser and the scheduled date and place conveyance will be accomplished.

(3) Association Disclosure Packet. The Board of Directors shall, upon written request from a contract seller of a Lot, and upon payment of the applicable fee, furnish an Association Disclosure Packet as required by applicable Virginia law and a Statement of Common Expenses in accordance with Section 6.6 hereof.

## ARTICLE 9

### ARCHITECTURAL REVIEW

#### Section 9.1. Covenants Committee.

(a) Purpose. The Board of Directors shall establish a Covenants Committee, consisting of at least three persons appointed by the Board, each to serve for a term of from one to three years as may be determined by the Board of Directors, in order to assure that the Property shall always be maintained in a manner: (i) providing for visual harmony and soundness of repair; (ii) avoiding activities deleterious to the aesthetic or property values of the Property; and (iii) promoting the general welfare and safety of the Owners, such Owners' tenants and such Owners' (or tenants') households, guests, employees, agents and invitees. If the Board of Directors fails to appoint a Covenants Committee, then the Board of Directors shall perform the duties of the Covenants Committee.

#### (b) Powers.

(1) The Covenants Committee shall regulate the external design, signage, appearance, use and maintenance of the Property (including establishing minimum floor area specifications and building set backs); provided, however, that neither the Covenants Committee nor the Board of Directors shall have the power to regulate the activities of the Declarant on the Common Area or any Lot owned by the Declarant or construction on any Lot owned by a Builder which has been approved by the Declarant.

(2) The Covenants Committee may from time to time establish requirements regarding the form and content of plans and specifications to be submitted for approval. The Covenants Committee shall have the power to impose reasonable application fees as well as the costs of reports, analyses or consultations required in connection with improvements or changes proposed by

an Owner. Such fees shall be assessed against the Lots owned by the Owner making application; provided, however, that before incurring such costs, the Committee shall provide an estimate to the applicant Owner and the Owner shall have the opportunity to withdraw such Owner's application without incurring such costs.

(3) The Covenants Committee shall have the power pursuant to Subsection 12.1(h) hereof (upon petition of any member or upon its own motion) to impose reasonable charges upon, and issue a cease and desist request to, an Owner, such Owner's tenant and such Owner's (or tenant's) household, guests, employees, agents and invitees whose actions are inconsistent with the provisions of the Association Documents or the Rules and Regulations.

(4) Subject to the review of the Board of Directors, the Covenants Committee shall from time to time provide interpretations of the Association Documents pursuant to the intents, provisions and qualifications thereof when requested to do so by an Owner or the Board of Directors. The Committee may publish and record such interpretations in order to establish precedents for application of the Association Documents or the Design Standards or other matters relative to architectural control and protection of the aesthetic or property values of the Property.

(5) The Covenants Committee shall propose Design Standards for approval by the Board of Directors. Such Design Standards approved by the Board of Directors are hereby incorporated by this reference and shall be enforceable as if set forth herein in full.

(6) A Majority Vote of the Covenants Committee shall be required in order to take any action. The Covenants Committee shall keep written records of all its actions. Any action, ruling or decision of the Covenants Committee may be appealed to the Board of Directors by any party who appeared at a hearing with respect to such action, ruling or decision or who submitted a written protest prior to the action, decision or ruling and the Board may modify or reverse any such action, decision or ruling. The Covenants Committee and the Board of Directors shall have no authority to regulate construction by the Declarant or approved by the Declarant.

(c) Authority. The Covenants Committee shall have such additional duties, powers and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case-by-case basis. The Covenants Committee shall carry out its duties and exercise its powers and authority in accordance with

Subsections 12.1(h) and (i) hereof and in the manner provided for in the Rules and Regulations adopted by the Board of Directors or by resolution of the Board of Directors.

(d) Time for Response; Variances. The Covenants Committee shall act on all matters properly before it within forty-five days after submission of a complete application in the form prescribed by the Covenants Committee; failure to do so within the stipulated time shall constitute an automatic referral to the Board of Directors. Except when a request is being handled by the Covenants Committee, the Board of Directors shall be obligated to answer any properly submitted written application for approval of a proposed structural addition, alteration or improvement within fifteen days after the first Board of Directors meeting held following such referral to the Board, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed structural addition, alteration or improvement; provided, however, that neither the Board of Directors nor Covenants Committee has the right or power, either by action or failure to act, to waive enforcement or grant variances from written Design Standards without a specific finding stating the variance and the reasons therefor in a written instrument which shall be part of the records of the Association. Upon such written approval of any specific variance or exception from the requirements of the Design Standards, all development conforming to such variance or exception shall be deemed to comply.

Section 9.2. Compensation of the Covenants Committee. One or more members of the Covenants Committee other than an Owner or an occupant of the Property may be compensated by the Association for their service on the Covenants Committee as may be determined by the Board of Directors.

Section 9.3. Initial Construction.

(a) Authority. The Declarant shall have the right to review and approve or disapprove the plans for the initial construction of any structure or improvement to be located on the Property, including without limitation the site development plan, architectural design, architectural materials, landscaping plans, minimum square footage, non-structural improvements and general appearance, in order to ensure the quality and compatibility of style of all the improvements to be located on the Property. The Declarant may establish Design Standards. During the Development Period all Design Standards proposed by the Covenants Committee shall be submitted to the Declarant for review and approval. Such Design Standards are hereby incorporated herein by this reference and shall be enforceable as if set forth herein in full. The Declarant may establish a committee or board appointed by the Declarant to review initial construction or the Declarant

may delegate such responsibility to the Covenants Committee at the Declarant's sole discretion. The Declarant's right to review the initial construction shall cease to exist when the Development Period ends. If initial construction on the Property occurs thereafter, such construction will be reviewed by the Covenants Committee.

(b) Time for Response; Variances. The Declarant shall act on all matters within sixty days after submission of a complete application in the form prescribed by the Declarant; failure to do so within the stipulated time shall constitute an approval by the Declarant of the proposed structure, addition, alteration or improvement; provided, however, that the Declarant may only grant waivers or variances from written Design Standards (whether by action or failure to act) in writing stating the waiver or variance and the reasons therefor. Upon such written approval of any specific variance or exception from the requirements of the Design Standards, all development conforming to such variance or exception shall be deemed to comply.

Section 9.4. Additions, Alterations or Improvements by the Owners.

(a) Approval.

(1) No Person shall make any addition, alteration, improvement or change of grade in or to any Lot (other than for normal Upkeep or natural landscaping and not including areas within a building visible from the exterior only because of the transparency of glass doors, walls or windows), without the prior written consent of the Covenants Committee. No Person shall paint, affix a sign not permitted by the Rules and Regulations to or alter the exterior of any improvement, including the doors and windows, without the prior written consent of the Covenants Committee. Approval by the Board of Directors or the Covenants Committee shall not relieve an Owner from any obligation to obtain required governmental permits. The Owner shall deliver all approvals and permits required by law to the Covenants Committee or Board of Directors, as appropriate, prior to the commencement of the construction requiring such approval or permit. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement to any Lot or improvement located on any Lot requires signature by the Association, and provided consent has been given by the Board of Directors or the Covenants Committee, as appropriate, then the application shall be signed on behalf of the Association by an Officer only, without incurring any liability on the part of the Officer, Board of Directors, the Association, the Covenants Committee or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any Person having a



claim for personal injury or property damage arising therefrom. Any addition, alteration or improvement upon any Lot in violation of the Association Documents shall be removed or altered to conform to the Association Documents (including the Design Standards) within thirty days after notice of the violation.

(2) The provisions of this section shall not apply to Lots owned by the Declarant or to improvements on any Lot if such improvements have been approved by the Declarant. The Declarant or a Builder, if approved by the Declarant, shall have the right to construct improvements or make alterations without the consent of the Board of Directors or the Covenants Committee and an authorized Officer shall sign any such application required.

(3) The provisions of this section shall not apply to a Mortgagee (in possession of a Lot as a result of foreclosure, judicial sale or proceeding in lieu of foreclosure) affixing a sign or taking any other actions that may be necessary to sell or lease all or any portion of the Lot, if such actions are in accordance with applicable zoning and not detrimental to the value of the Property.

(b) Limitations.

(1) Any Person obtaining approval of the Covenants Committee shall commence construction or alteration in accordance with plans and specifications approved within six months after the date of approval and shall substantially complete any construction or alteration within eighteen months after the date of approval, or within such other period as specified in the approval. Notwithstanding the foregoing, the approval may provide for a different period during which to commence or complete construction. If any such Person does not commence work within six months after approval, or such other time period determined by the Committee, then approval shall lapse.

(2) Any Person obtaining approval of the Covenants Committee shall not deviate materially from the plans and specifications approved without the prior written consent of the Committee. Such Person shall notify the Committee when the alterations or improvements are complete. Approval of any particular plans and specifications or design does not waive the right of the Committee to disapprove such plans and specifications, or any elements or features thereof, if such plans and specifications are subsequently submitted for use in any other instance or by any other Person.

(c) Certificate of Compliance. Upon the completion of any construction or alteration in accordance with plans and

specifications approved by the Covenants Committee, the Committee shall, at the request of the Owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction or alteration referenced in such certificate has been approved by the Committee and constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of the Association Documents as may be applicable. The certificate shall not be used and may not be relied upon for any other purpose, and shall not constitute a representation either as to the accuracy or sufficiency of the plans and specifications reviewed by the committee or the quality or soundness of the construction, alterations or improvements. The Committee may impose a reasonable charge to cover the costs of preparation and inspection.

(d) Initial Construction. Notwithstanding anything to the contrary in the Association Documents, including Articles 8 and 9, the Declarant has the right to review all initial construction pursuant to Section 9.3, and with respect to such initial construction, all references to the Architectural and Environmental Review Committee shall be deemed to mean the Declarant.

Section 9.5. Restriction on Further Subdivision. No Lot shall be further subdivided or separated into smaller Lots by any Owner except with the approval of the Declarant, during the Development Period, or the Board of Directors thereafter. Any open space parcel created by the subdivision shall be conveyed by the subdivider to the Association or shall be otherwise conveyed as approved by the Declarant or the Board. This provision shall not require the approval of the Declarant or the Board of Directors to deeds of correction, deeds to resolve boundary line disputes or similar corrective instruments. No portion of any such Lot, nor any easement or other interest therein, except easements for utilities, stormwater drainage and management, street dedications and other easements or dedications to any utility or public authority or to the Declarant, shall be conveyed or transferred by an Owner without the approval of the Declarant, during the Development Period, or the Board of Directors thereafter.

## ARTICLE 10

### INSURANCE

Section 10.1 Physical Damage and Liability Insurance. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area to the extent available at a reasonable cost. This insurance shall cover loss or damage by fire or other hazards, including extended coverage, vandalism and malicious

mischievous, and shall be in amounts sufficient to cover the full insurable replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board of Directors shall obtain a public liability policy applicable to the Common Area covering the Association and any Owner for all damage or injury caused by the negligence of the Association or any Owner or agent arising from the operation, maintenance or use of the Common Area. The public liability policy shall have a combined single limit of at least one million dollars. The Board may also purchase additional umbrella coverage. If reasonably available, the Board of Directors shall obtain directors' and officers' liability insurance. Premiums for all insurance shall be a Common Expense.

Such insurance shall be governed by the provisions hereinafter set forth:

(1) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board of Directors; provided, however, that no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(2) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants of Lots or their Mortgagees, and the insurance carried by the Association shall be primary.

(3) All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available.

(4) The Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation ("right of recovery") by the insurer as to any claims against the Board of Directors, any Owner, any Owner's tenant or such Owner's co-tenant, household, company, guests, employees, agents and invitees;

(ii) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) that no policy may be canceled, invalidated or suspended due to the conduct of any Owner, or such Owner's tenant or such Owner's (or tenant's) household, guests, employees, agents and invitees, or of any member, Officer or employee of the Board of Directors or the managing agent ("no control clause") without a prior demand in writing that the Board

or the managing agent cure the defect and neither shall have so cured such defect within thirty days after such demand;

(iv) that no policy may be canceled (including for failure to pay the premium) or substantially modified without at least ten days prior written notice to the Board of Directors;

(v) the Declarant, so long as the Declarant shall own any Lot, shall be protected by all such policies as an Owner;

(vi) the Owners shall be treated as insureds and the policies shall contain a "cross-liability" clause and a "severability of interest" clause; and

(vii) reasonable deductibles.

Section 10.2. Fidelity Insurance. In addition to the other insurance required by this Article, the Board shall obtain adequate fidelity insurance coverage to protect against dishonest acts on the part of Officers, directors, trustees and employees of the Association and all others who handle, or are responsible for handling, funds of the Association, including the managing agent. Such fidelity bonds shall (i) name the Association as an obligee; (ii) be written in an amount not less than one-half the total annual assessments for the year or the amount required by any Secondary Mortgage Market Agency, whichever is greatest; and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Such coverage may not be canceled or substantially modified without at least ten days prior written notice to the Association. The Board may also determine to obtain fidelity coverage with respect to the managing agent.

Section 10.3. Other Insurance. To the extent necessary to satisfy the requirements of the Secondary Mortgage Market Agencies, the Board of Directors shall also obtain construction code endorsements and flood insurance or any other insurance coverage. The Association may purchase any other insurance as determined to be necessary or desirable by the Board of Directors.

Section 10.4. Required Insurance Coverage on Lots. In order to protect adjoining Owners and to insure there are sufficient funds available to an Owner to restore the improvements on such Owner's Lot in case of damage or destruction, each Owner of a Lot containing a party wall shall maintain a fire and extended coverage insurance policy in an amount equal to the full replacement value (exclusive of land,

excavation and other items normally excluded from coverage) of all improvements constructed on such Lot. The Owner shall provide evidence of such insurance to the Board of Directors upon request.

## ARTICLE 11

### RECONSTRUCTION AND REPAIR

Section 11.1. Common Area. Except as otherwise provided herein and if all or any part of any improvement located on the Common Area is damaged or destroyed by fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration thereof (including without limitation any floor coverings, fixtures and appliances). If destruction of the improvements located on the Common Area is insubstantial, the Board of Directors may elect not to repair such insubstantial damage. Otherwise, any decision not to repair or restore improvements on the Common Area shall be made in accordance with Section 14.4 hereof. If damaged improvements are not repaired, then the Board of Directors shall remove all remnants of the damaged improvements and restore the site thereof to an acceptable condition compatible with the remainder of the Common Area and the balance of any insurance proceeds received on account of such damage shall be placed in the appropriate reserve account. The Association shall not use the proceeds of casualty insurance received as a result of damage or destruction of improvements located on the Common Area for purposes other than the repair, replacement or reconstruction of such improvements except in accordance with this section and Section 14.4 hereof.

Section 11.2. Lots. If a building or other major improvement located upon a Lot is damaged or destroyed, the Owner thereof shall restore the site either: (i) by repairing or reconstructing such building or other major improvement; or (ii) by clearing away the debris and restoring the site to an acceptable condition compatible with the remainder of the Property. Unless the Covenants Committee permits a longer time period, such work must be commenced within six months after the casualty and substantially completed within twelve months after the casualty.

## ARTICLE 12

### COMPLIANCE AND DEFAULT

Section 12.1. Enforcement Provisions. Each Owner shall be governed by, and shall comply with, all of the terms of the Association Documents and Rules and Regulations, as amended from time to time. A default by an Owner shall entitle the Associ-

ation, acting through its Board of Directors or through the managing agent, to the following relief.

(a) Additional Liability. Each Owner shall be liable to the Association or to any affected Owner for any costs incurred by the Association and the expense of all Upkeep rendered necessary by such Owner's act or omission, regardless of neglect or culpability, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Association. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation. Any costs, including without limitation legal fees, incurred as a result of a failure to comply with the Association Documents and Rules and Regulations by any Owner may be assessed against such Owner's Lot.

(b) New Owner Address. If a new Owner does not give the Secretary written notice of such Owner's name and the number or address of the Lot within thirty days after acquiring title to such Lot then reasonable record-keeping costs incurred by the Association, as determined by the Board of Directors, may be assessed against such Owner's Lot. The Board may set or change the amount of such Assessment from time to time. Such Assessment shall be a lien against such Owner's Lot as provided in Section 12.2 hereof.

(c) Costs and Fees. In any proceedings arising out of any alleged default by an Owner or any suit brought by an Owner against the Association or any director or Officer, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees.

(d) No Waiver of Rights. The failure of the Association, the Board of Directors or an Owner to enforce any right, provision, covenant or condition which may be granted by the Association Documents shall not constitute a waiver of the right of the Association, the Board or any Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors or any Owner pursuant to any term, provision, covenant or condition of the Association Documents shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the Person exercising the same from exercising such other privileges as may be granted to such Person by the Association Documents, the Act or at law or in equity.

(e) Interest. If a default by any Owner in paying any sum assessed against such Owner's Lot, continues for a period in excess of ten days, interest from the due date at a rate not to exceed the lesser of the maximum permissible interest rate which may be charged by a Mortgagee under a Mortgage at such time or twelve percent per annum may be imposed in the discretion of the Board of Directors on the principal amount unpaid from the date due until paid. The imposition of interest shall not preclude collection of a late charge nor shall be considered interest subject to the limitations of this subsection.

(f) Abating and Enjoining Violations. The violation of any of the Rules and Regulations adopted by the Board of Directors or the breach of any provision of the Association Documents shall give the Board of Directors the right, in addition to any other rights set forth in the Association Documents: (i) to enter the portion of the Property (excluding any occupied dwelling) pursuant to Section 3.3 hereof on which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Association Documents or the Rules and Regulations, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; (ii) to use self-help to remove or cure any violation of the Association Documents or the Rules and Regulations on the Property (including without limitation the towing of vehicles); or (iii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; provided, however, that before any construction may be altered or demolished (except in emergencies) judicial proceedings shall be instituted. The Board of Directors shall follow the due process procedures set forth in Subsections 12.1(h) and (i) hereof.

(g) Legal Proceedings. Failure to comply with any of the terms of the Association Documents or Rules and Regulations shall be grounds for relief, including without limitation an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all Assessments, any other relief provided for in the Association Documents and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, the managing agent or, if appropriate, by any aggrieved Owner and shall not constitute an election of remedies.

(h) Charges and Suspension of Rights. The Board of Directors or the Covenants Committee, as appropriate, has the power to impose charges and to suspend the right to vote in the Association (pursuant to Section 3.2 of the Bylaws) or other rights in the case of an Owner found to be responsible for a violation of the Association Documents or Rules and Regulations.

The Board or Committee may suspend the right of an Owner or other occupant, and the right of such Person's household, tenants, guests, employees or invitees to use any facilities located on the Common Area (other than for access or utilities) for a reasonable period not to exceed sixty days, for any violation of any provision of any of the Association Documents or the Rules and Regulations or for any period during which any Assessment against an Owner's Lot remains unpaid; provided, however, the Association may not suspend or interfere with the ingress or egress to or from such Owner's Lot or access for utility services to such Owner's Lot. Charges may not exceed Fifty Dollars for each violation or Ten Dollars per day for each violation of a continuing nature or such greater amount as may be permitted by law. No charge may be imposed for failure to pay an Assessment except as otherwise provided in the Declaration. Charges are Individual Assessments and shall be collectible as such and shall also constitute a lien against a Lot in accordance with Section 12.2 hereof. No charge shall be imposed and no construction altered or demolished until the Person charged with such a violation has been given notice and an opportunity for a hearing as set forth in Subsection 12.1(i) below. In addition, voting rights or other rights may not be suspended until the Person charged with the violation has been given notice and an opportunity for a hearing pursuant to Subsection 12.1(i) below, unless such rights are suspended due to non-payment of Assessments, in which case the Person charged with the violation is not entitled to notice and an opportunity for a hearing. The Board of Directors or Covenants Committee may determine to take other actions, including, without limitation, performing maintenance on a Lot pursuant to Sections 6.2 and 7.2 hereof without providing a hearing. The Board or Committee may deliberate privately, but shall either announce its decision in the presence of the respondent or give the respondent notice thereof.

(i) Due Process. The Board of Directors or the Covenants Committee, before imposing any charge or before taking any action affecting one or more specific Owners shall afford such Person the following basic due process rights.

(1) Notice. The respondent shall be afforded prior written notice of any action (except when an emergency requires immediate action) and, if notice is of default or violation, an opportunity to cure which is reasonable under the circumstances, prior to the imposition of any sanction. The notice shall also state that the respondent is entitled to a hearing, if a hearing is required pursuant to Subsection 12.1(h) above. Notice of any violation or any hearing shall be sent by registered or certified United States mail, return receipt requested, to the Owner at such Owner's address of record with the Association at least fourteen days prior to such hearing.



(2) Hearing. If the respondent is entitled to a hearing pursuant to Subsection 12.1(h) above and requests in writing a hearing before any charge is imposed or action taken, then the imposition of the charge or the taking of the action shall be suspended until the respondent has an opportunity to be heard at a hearing at which the Board of Directors or Covenants Committee, as appropriate, discusses such charge or action. Each Person so appearing shall have the right to be represented by such Person's counsel, at such Person's own expense.

(3) Appeal. Upon receipt of a written request therefor made within ten days after the date of an action by the Covenants Committee, the Board of Directors may afford the respondent the right to appeal to the Board, and the Board may modify or reverse any action taken by the Covenants Committee.

Section 12.2. Lien for Assessments.

(a) Lien. The total Annual Assessment of each Owner for Common Expenses, any Additional Assessment, any Individual Assessment or any other sum duly levied (including without limitation charges, interest, late charges, contractual charges, etc.), made pursuant to the Association Documents, is hereby declared to be a lien levied against any Lot owned by such Owner in accordance with this Declaration. Until fully paid and satisfied, the lien shall apply to and encumber all of the Lots that were owned, as of the date when payment was due, by the Owner from whom payment was due, and shall also apply to and encumber any and all Lots thereafter acquired by that Owner from the time such Owner becomes the Owner thereof. With respect to Annual Assessments, the lien is effective on the first day of each fiscal year of the Association and, as to Additional Assessments, Individual Assessments and other sums duly levied, the lien is effective ten days after the date of notice to the Owner of such Assessment or levy. The Board of Directors or the managing agent may file or record such other or further notice of any such lien, or such other or further document, as may be required to confirm the establishment and priority of such lien by Section 55-516 of the VPOA Act or otherwise by law. The lien created by this section shall be prior to all liens and encumbrances hereafter recorded except Mortgages, real estate taxes and other charges levied by governmental authority and made superior by law. The personal obligation of the Owner to pay such Assessment shall, in addition, remain such Owner's personal obligation and a suit to recover a money judgment for non-payment of any Assessment or installment thereof, levied pursuant hereto, may be maintained without foreclosing or waiving the lien herein created to secure the same.

(b) Acceleration. In any case where an Assessment against an Owner is payable in installments, upon a default by

such Owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such Assessment may be accelerated, at the option of the Board of Directors, and the entire balance of the Assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner.

(c) Enforcement. The lien for Assessments may be enforced and foreclosed in any manner permitted by the laws of Virginia for foreclosure of mortgages or deeds of trust containing a power of sale or by an action in the name of the Board of Directors, or the managing agent, acting on behalf of the Association. The Association shall have the power to bid on the Lot at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with such Lot.

(d) Remedies Cumulative. A suit to recover a money judgment for unpaid Assessments may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

Section 12.3. Subordination and Mortgagee Protection. Notwithstanding any other provision hereof to the contrary, the lien of any Assessment levied pursuant to the Association Documents upon any Lot (and any charges, interest, late charges or the like) shall be subordinate to, and shall in no way affect the rights of the holder of a Mortgage made in good faith for value received; provided, however, that such subordination shall apply only to Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to foreclosure or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the holder of a Mortgage or the purchaser of the Lot at such sale from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment, which lien shall have the same effect and be enforced in the same manner as provided herein.

## ARTICLE 13

### MORTGAGEES

Section 13.1. Notice to Board of Directors. Upon request, an Owner who mortgages such Owner's Lot shall notify the Board of Directors of the name and address of the mortgagee. No mortgagee shall be entitled to any Mortgagee rights under the Association Documents unless such Mortgagee has notified the Board of its address as required by Section 13.2 below and has requested all rights under the Association Documents.

Section 13.2. Notices to Mortgagees. Any mortgagee who desires notice from the Association shall notify the Secretary of the Association to that effect by certified or registered United States mail, postage prepaid. Any such notice shall contain the name and address, including post office address of such mortgagee and the name of the person or office to whom notices from the Association should be directed. The Mortgagee shall be responsible for keeping such information up-to-date. The Board of Directors shall notify Mortgagees of the following:

(1) Any default by an Owner of a Lot, upon which the Mortgagee has a Mortgage, in paying Assessments (which remains uncured for sixty days) or any other default, simultaneously with the notice sent to the defaulting Owner;

(2) All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to improvements located on the Common Area in excess of ten percent of the then current replacement cost of such improvements;

(3) All actions taken by the Association with respect to reconstruction of the Common Area or a Lot upon which the Mortgagee has a Mortgage;

(4) Any termination, lapse or material modification in an insurance policy held by the Association;

(5) Any taking in condemnation or by eminent domain of the Common Area and the actions of the Association in connection thereto;

(6) Any proposal to terminate the Declaration, at least sixty days before any action is taken to terminate in accordance with Article 15 hereof; and

(7) Any proposal to amend materially the Articles of Incorporation, this Declaration or the Bylaws, at least ten days before any action is taken pursuant to Section 14.4 hereof.

Section 13.3. Other Rights of Mortgagees. Upon request a Mortgagee or such Mortgagee's representatives shall have the right to receive notice of and to attend and to speak at meetings of the Association. All such Mortgagees shall have the right to examine the Association Documents, Rules and Regulations and books and records of the Association and to require the submission of annual financial reports and other budgetary information.

## ARTICLE 14

AMENDMENT; EXTRAORDINARY ACTIONS

Section 14.1. Amendment by the Declarant. During the Development Period, the Declarant may unilaterally without the approval of the Association, any Owner, Mortgagee or Secondary Mortgage Agency amend any provision of this Declaration or any Supplementary Declaration to: (i) make non-material, clarifying or corrective changes; (ii) satisfy the requirements of any government, governmental agency, Secondary Mortgage Agency or Mortgagee; (iii) reflect the relocation of boundary lines between the Common Area and any Lots or among any Lots; provided, however, that such relocation is reflected in an approved resubdivision of all or any part of the Property; and (iv) withdraw Submitted Land in accordance with Section 4.4 hereof.

Section 14.2. Amendment by the Association.

(a) Member Approval. Subject to Sections 14.3 and 14.4 hereof, the Association may amend this Declaration with the written approval of members entitled to cast at least sixty-seven percent of the total number of votes.

(b) Certification. An amendment by the Association shall not be effective until certified by the President as to compliance with the procedures set forth in this Article, signed and acknowledged by the President and Secretary of the Association, and recorded among the Land Records. Any procedural challenge to an amendment must be made within one year after recordation.

(c) Supplementary Declarations. Amendment of a Supplementary Declaration is governed by the provisions for amendment contained therein and the requirements of Section 14.4 hereof. A Supplementary Declaration may not be amended to reduce the maximum annual Limited Common Expense assessment set forth therein. A Supplementary Declaration may not include provisions in conflict with the Declaration. Although the Declaration and Supplementary Declaration should be construed to give effect to both, in the case of conflicting provisions, the Declaration shall control.

Section 14.3. Prerequisites. Written notice of any proposed amendment by the Association shall be sent to every Owner at least fifteen days before any action is taken. No amendment shall increase the financial obligations of an Owner in a discriminatory manner or further restrict development on existing Lots in a discriminatory manner. No amendment to the Declaration shall diminish or impair the rights of the Declarant during the Development Period under the Declaration without the prior written consent of the Declarant. No amendment to the Declaration shall diminish or impair the express rights of the

Mortgagees under the Declaration without the prior written approval of at least Fifty-one Percent of the Mortgagees. No amendment may modify this Article or the rights of any Person hereunder. Except as specifically provided in the Declaration, no provision of the Declaration shall be construed to grant to any Owner or to any other Person any priority over any rights of Mortgagees.

Section 14.4. Extraordinary Actions of the Association. The provisions of this section shall not be construed to reduce the vote that must be obtained from members where a greater vote is required by the Act or other provisions of the Association Documents nor shall it be construed to lessen the unilateral rights given to the Declarant pursuant to Articles 3, 4 and 14 hereof to amend the Declaration or a Supplementary Declaration without the consent of any Owner or Mortgagee. To the extent this section applies to amendments to a Supplementary Declaration, the approval of the Owners or Mortgagees required shall be deemed to refer only to the Owners of Lots or Mortgagees holding Mortgages on Lots subject to such Supplementary Declaration.

(a) Mortgagee and Owner Approval. Without the approval of at least Fifty-one Percent of the Mortgagees and Owners entitled to cast at least sixty-seven percent of the total number of votes of each class of members, the Association shall not, by act or omission: (i) seek to abandon, partition, subdivide, encumber, dedicate, sell or transfer the Common Area owned in fee simple by the Association (except for making dedications to governmental entities, granting easements for utilities or other public purposes to benefit the Property or the adjoining land not inconsistent with the intended use of such Common Area or making boundary-line adjustments pursuant to Section 2.2 hereof); (ii) add (except in a Supplementary Declaration) or change the method of determining the obligations, Assessments or other charges which may be levied against an Owner or voting rights of any members (except to reduce the Declarant voting rights with the consent of the Declarant); (iii) add (except in a Supplementary Declaration), change, waive or abandon any scheme or regulation or enforcement thereof, pertaining to architectural design or exterior appearance or Upkeep of the Lots or Common Area; (iv) fail to maintain fire and extended coverage on insurable Common Area on a current replacement cost basis in an amount at least 100 percent of the insurable value (based on current replacement cost), in accordance with Article 10 hereof; (v) use hazard insurance proceeds for losses to the Common Area for any purpose other than repair, replacement or restoration of such Common Area substantially in accordance with the Association Documents and the original plans and specifications, except as provided in Article 11 hereof; (vi) terminate the Declaration or dissolve the Association or merge or consolidate with another

association (except pursuant to a merger or consolidation with another entity formed for similar purposes); or (vii) add (except in Supplementary Declarations) or amend any material provisions of the Association Documents which establish, provide for, govern or regulate any of the following: (1) voting (except to reduce the Declarant's voting rights with the consent of the Declarant), (2) Assessment liens or priority of such liens; (3) reserves for maintenance, repair and reconstruction of the Common Area; (4) insurance or fidelity bonds; (5) rights to use of the Common Area; (6) maintenance responsibility; (7) leasing of Lots; (8) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey such Owner's Lot; (9) expansion or contraction of the Property or the addition, annexation or withdrawal of land to or from the Property; (10) the convertibility of Lots into Common Area or vice versa; or (11) any provisions which are for the express benefit of Mortgagees.

(b) Nonmaterial Amendments. Any amendment to the Association Documents shall not be considered material if made only for the purpose of correcting technical errors or for clarification.

(c) Presumptive Approval. Any Mortgagee who is notified of amendments or actions of the Association by certified or registered United States mail, return receipt requested and who does not deliver a negative response to the Secretary of the Association within thirty days shall be deemed to have approved such amendment or action.

(d) VA or FHA Consent. When a VA guarantee is in effect on a Mortgage, without the consent of VA, or when FHA insurance is in effect on a Mortgage, without the consent of FHA during the Declarant Control Period, the Association may not take any action described in Section 14.4(a) hereof or annex any additional land. The foregoing shall only apply for so long as a Lot within the Property is encumbered by a loan guaranteed by VA or insured by FHA. In addition, during the Declarant Control Period, VA or FHA must be informed of all amendments to the Association Documents if such Documents have been previously approved by such agency.

## ARTICLE 15

### TERMINATION

Section 15.1. Duration; Termination by the Association. The covenants and restrictions of this Declaration shall run with the land and bind the Property in perpetuity, unless amended as provided above or terminated as hereinafter provided. Subject to

Section 14.4 hereof, the Association may terminate this Declaration only with the written approval of members entitled to cast at least eighty percent of the total number of votes. The termination shall not be effective until certified by the President as to compliance with the procedures set forth in this Article, signed and acknowledged by the President and Secretary of the Association and recorded among the Land Records.

Section 15.2. Prerequisites. Written notice of the proposed termination shall be sent to every Owner and Mortgagee at least sixty days before any action is taken. The Declaration may not be terminated during the Development Period without the prior written consent of the Declarant. Such termination shall not affect any permanent easements or other permanent rights or interests relating to the Common Area created by or pursuant to the Association Documents. To the extent necessary, the termination agreement shall provide for the transfer or assignment of the easements, rights or interests granted to the Association herein to a successor entity which is assuming the Association's maintenance and regulatory responsibilities. Any lien which has arisen pursuant to the provisions of the Declaration shall remain in full force and effect despite termination of the Declaration until the amounts secured thereby are paid in full.

Section 15.3. Conveyance of Common Area Upon Dissolution. Upon dissolution of the Association, the assets of the Association must be conveyed to another nonprofit entity, governmental or public agency formed for purposes similar to the purposes for which the Association was formed, or offered for dedication to Fairfax County, Virginia.

## ARTICLE 16

### PARTY WALLS AND FENCES

Section 16.1. Applicable Law; Easement. All matters arising in connection with any wall which would constitute a party wall at common law shall, to the extent consistent with the provisions of this Article, be subject to the common law of Virginia as modified by statute from time to time and as modified by this Article. If the centerline of a party wall now or hereafter fails to coincide with the boundary between the Lots it serves, an easement for any resulting encroachment is hereby granted. If a party wall serves three or more Lots, each segment of it serving two Lots shall be treated for the purposes of this Article as a separate party wall.

Section 16.2. Upkeep. The Owners of Lots served by a party wall shall provide for the Upkeep of party walls and shall share equally the cost of its Upkeep except as otherwise provided in this Article. Each Owner shall have an easement across the

adjoining Lots for this purpose. No Owner shall impair the structural integrity of any party wall nor diminish the fire protection afforded by any party wall.

Section 16.3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, the following procedures shall be followed in order to restore such party wall.

(1) Either Owner served by the party wall shall notify the other Owner served by the party wall of any proposal to repair the wall. If within ten days after such notice (or in an emergency, within twenty-four hours after such notice or a bona fide attempt to give such notice) the other Owner has not responded to the notice, then the Owner giving notice may proceed with the repairs. Such repairs must be substantially similar to the original construction and installation and of first class quality, but may be made with contemporary materials.

(2) If the other Owner served by the party wall responds to the notice, the Owners shall act together to repair the party wall. If the Owners are unable to agree upon the action to be taken, they shall submit the issue to arbitration in accordance with Section 16.5.

(3) If any Owner restores a party wall in accordance with this section, then the other Owner shall contribute one-half of the cost thereof. An Owner may, however, demand a larger contribution from the other Owner or refuse to contribute one-half of such costs, under any rule of law or equity regarding liability for negligent or willful acts or omissions.

(4) To the extent that any failure to repair a party wall affects the use and enjoyment of the Common Area or appearance of the Property, the Association may participate in the repair of the party wall and, in an emergency situation threatening life or property, may make such repair without notice to the Owners. The Association may assess the cost of such repair against the Owners responsible for the damage or benefiting from the repair pursuant to Sections 12.1(a) and 6.2(d).

Section 16.4. Liability. Any Owner who by a negligent or willful act or omission causes or permits a party wall to be damaged shall pay the cost of restoring such party wall to its condition prior to such damage.

Section 16.5. Arbitration. In the event of any dispute between Owners concerning a party wall, the Owners on each side shall each select one arbitrator, and the arbitrators thus selected shall select one additional arbitrator. Arbitrators shall be qualified by experience and education to serve as such. Once selected, the arbitrators shall promptly agree upon and notify the parties of the discovery procedures and rules of



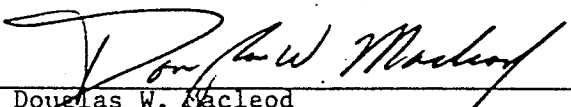
evidence to be used in the arbitration. The arbitrators shall be requested to reach a decision within twenty days after their appointment. The decision of a majority of the arbitrators shall bind the Owners and their successors in interest. The cost of arbitration shall be paid by the losing party unless the arbitrators determine that the cost should be otherwise allocated between the parties, in which case that allocation shall be binding.

Section 16.6. Fences and Other Barriers. The provisions of this Article pertaining to party walls shall also govern any fence, other barrier or shared improvement originally installed by the Declarant or a Builder (except for fences or barriers installed in connection with construction activities) and to any replacement thereof authorized by the Board of Directors or the Covenants Committee. Otherwise, the Upkeep of any fence, other barrier or improvement shall be the responsibility of the Owner installing such fence, barrier or improvement unless different arrangements are agreed to by the adjoining Owners.

Section 16.7. Right to Contribution Runs With Land. Rights and duties of contribution set forth in this Article and any such rights and duties arising under the laws of Virginia shall run with the land and bind successors in interest. This Article shall not prejudice any right of a successor in interest to recover any amount from a predecessor in title for which such predecessor was liable. Any rights of contribution set forth in this Article shall constitute a lien in favor of any Owner entitled to contribution against any Owner obligated to pay such contribution. Until fully paid and satisfied, the lien shall apply to and encumber all of the Lots that were owned, as of the date when payment was due, by the Owner from whom payment was due, and shall also apply to and encumber any and all Lots thereafter acquired by that Owner from the time such Owner becomes the Owner thereof. The lien created by this section shall be prior to all liens and encumbrances except Mortgages, real estate taxes and other charges levied by governmental authority made superior by law and the Association's lien established pursuant to Section 12.2.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be signed pursuant to due and proper authority as of the date first set forth above.

TRAFALGAR HOUSE PROPERTY, INC.,  
a Delaware corporation

By:   
Name: Douglas W. Macleod  
Title: Div. Vice President

WINDSOR MEWS OWNERS ASSOCIATION, INC.

By: Mark D. Simms  
Name: Mark D. Simms  
Title: President

State OF Virginia )  
County OF Fairfax ) ss:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Douglas W. Macleod, Div. Vice President of Trafalgar House Property, Inc., a Delaware corporation, whose name is signed to the foregoing instrument, has acknowledged the same before me in the aforesaid jurisdiction as a duly authorized officer of the corporation.

GIVEN under my hand and seal on February 14, 1995.

Louise S. Wilhoff [SEAL]  
Notary Public

My commission expires: May 31, 1997

State Virginia )  
County Fairfax ) ss:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Mark D. Simms, President of WINDSOR MEWS OWNERS ASSOCIATION, INC., whose name is signed to the foregoing instrument, has acknowledged the same before me in the aforesaid jurisdiction as a duly authorized officer of the corporation.

GIVEN under my hand and seal on February 14, 1995.

Laurie A. Whitoff [SEAL]  
Notary Public

My commission expires: May 31, 1997

BK 9376 020.

EXHIBIT A

DESCRIPTION OF  
SUBMITTED REAL ESTATE

Lot's One (1) through one Hundred Thirty (130), both inclusive, and Parcel B-1, WINDSOR MEWS, as the same appear duly dedicated, platted, subdivided and recorded in Deed Book 9376, at page 139, among the land records of Fairfax County, Virginia.

with plat attached

MAR 27 1995

RECORDED FAIRFAX CO VA

TESTE:

*[Signature]*  
CLERK

AMENDMENT TO DECLARATION  
FOR WINDSOR MEWS

THIS AMENDMENT TO DECLARATION FOR WINDSOR MEWS is made as of September 21, 1995, by WINDSOR MEWS OWNERS ASSOCIATION, INC., a Virginia nonstock corporation (the "Association") and TRAFALGAR HOUSE PROPERTY, INC., a Delaware corporation ("Declarant").

RECITALS:

A. The Declaration for Windsor Mews ("Declaration"), dated February 28, 1995, was recorded in Deed Book 9376 at Page 148 among the land records for Fairfax County, Virginia ("Land Records").

B. The Association and the Declarant desire to amend the Declaration.

C. The Declarant and the Association are the sole owners of the property subject to the Declaration and the Declarant is the sole member of the Association.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Association and the Declarant hereby amend the Declaration as follows.

1. Section 4.1 of the Declaration is hereby deleted in its entirety and the following substituted in its place and stead.

Section 4.1. Expansion by the Declarant. The Declarant hereby reserves a right until the fifth anniversary of the date of recordation of this Declaration to expand the Property from time to time without the approval of the Association or any Owner (except the owner of land being submitted to the Declaration) or Mortgagee by unilaterally submitting all or any portion of the land described in paragraph number 3 below to the provisions of this Declaration and the jurisdiction of the Association whether or not such land is owned by the Declarant. The right to expand may be terminated only upon the recordation by the Declarant of an instrument relinquishing such right. The Declarant reserves the unilateral right without the approval of the Association or any Owner (except the owner of such land) or Mortgagee to sign and record a Supplementary Declaration, subjecting any portion of the Property to such additional covenants and restrictions as may be necessary to reflect the different characteristics of such portion of the Property as are not inconsistent with the overall scheme of the Declaration; provided, however, that the Declarant shall not record a Supplementary Declaration affecting a Lot after the conveyance of such Lot to an Owner other than the Declarant without the written consent of the Owner of such Lot.

HAZEL & HUMPHAS, P.C.  
3110 Fairview Park Drive  
P.O. Box 12001  
Falls Church, Virginia 22042

BK 9514 0270

2. A new Section 7.4 of the Declaration is hereby added as follows:

Section 7.4. Parking. All parking spaces located in the Common Area shall be used by the Owners for self-service parking purposes on a "first come, first served" basis, except as the Board of Directors may otherwise determine or as may be otherwise stated with respect to Additional Land in a Supplementary Declaration adding such Additional Land and in accordance with such reasonable Rules and Regulations regulating the same as the Board of Directors may adopt. The Association will not unreasonably interfere with the right of any Owner, or such Owner's tenant or such Owner's (or tenant's) household, guests, employees, agents or invitees to use the private streets and roadways on the Common Area for both vehicular and pedestrian ingress and egress to and from such Owner's Lot; provided, however, that the Board of Directors may limit the number of parking spaces used by an Owner, assign parking spaces or designate guest parking. Unless otherwise specifically designated in this Declaration or any other agreement, the parking areas and driveways on each Owner's Lot are to be used and maintained solely by such Owner and such Owner's designees. The Declarant reserves the right to use a reasonable number of spaces during the Development Period for sales and development purposes.

3. Exhibit A to the Declaration is hereby amended by adding the following to the end of the legal description:

LESS AND EXCEPT THE FOLLOWING PARCEL:

BEGINNING at a found monument in the easterly right-of-way of West Ox Road (Virginia State Route No. 608) and being the southwesterly corner of Lot No. 1, West Ox Industrial Park (Deed Book 5228 Page 96);

THENCE with the southern line of said Lot No. 1 S 82° 03' 46" E 287.43 feet to a point;

THENCE through the land of Windsor Mews Parcel "B-1" S 07° 56' 14"W 35.59 feet to a point in the northerly right-of-way of Piney Branch Road (Virginia State Route No. 6187) (Deed Book 8133, Page 1905).

THENCE with the said right-of-way of Piney Branch Road the following three (3) courses and distances:

Along an arc to the left 102.82 feet, having a radius of 444.26 feet, a tangent of 51.64 feet, a delta of 13° 15' 35" and a chord bearing and distance of N 74° 51' 31" W 102.59 feet to a monument found;

N 81° 29' 20" W 150.15 feet to a monument found;

Along an arc to the right 43.36 feet, having a radius of 40.99 feet, a tangent of 23.95 feet, a delta of 60° 35' 15" and a chord bearing and distance of N 51° 11' 42" W 41.36 to the POINT OF BEGINNING and containing 6,596 square feet.

4. The land described above is hereby deleted from the legal description of Submitted Land as described in Exhibit A and the provisions of the Declaration shall cease to encumber such land, subject to the Declarant's reserved unilateral right to resubmit such land at a later time in the sole discretion of the Declarant and with the consent of the Owner of such land.

Except as modified by this Amendment, all the terms and provisions of the Declaration are hereby ratified and confirmed and shall remain in full force and effect.

Each provision of this Amendment is severable from every other provision, and the invalidity of any one or more provisions shall not change the meaning of or otherwise affect any other provision. To the extent that any provision is found to be overly broad or unenforceable and a narrower or partially enforceable construction may be given to such provision, then the narrower or partially enforceable construction shall be applied and, to the extent practicable, the provision shall be enforced.

This Amendment may be signed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be signed pursuant to due and proper authority as of the date first set forth above.

WINDSOR MEWS OWNERS ASSOCIATION, INC.  
a Virginia nonstock corporation

By: Mary D. Smith

President

By: [Signature]

Secretary

TRAFALGAR HOUSE PROPERTY, INC.  
a Delaware corporation

By: *Douglas W Macleod*  
Name: Douglas W. Macleod  
Title: Division Vice President

I, Mark D. Simms, the President of WINDSOR MEWS OWNERS ASSOCIATION, INC., hereby certify that the foregoing Amendment to the Declaration for Windsor Mews has been approved by all the members of the Association.

September 21, 1995  
Date

*Mark D Simms*  
President

COMMONWEALTH OF VIRGINIA  
COUNTY OF Fairfax, to wit:

I, the undersigned Notary Public, in and for the state and county aforesaid, do hereby certify that Mark D. Simms, President of WINDSOR MEWS OWNERS ASSOCIATION, INC., whose name is signed to the foregoing instrument, appeared before me and personally acknowledged the same in my jurisdiction aforesaid on behalf of the Association.

GIVEN under my hand and seal on September 21, 1995.

*Laurie S. Uthoff* (SEAL)  
Notary Public

My commission expires: May 31, 1997

COMMONWEALTH OF VIRGINIA  
COUNTY OF Fairfax, to wit,

I, the undersigned Notary Public, in and for the state and county aforesaid, do hereby certify that Stephen D. Palmer, Secretary of WINDSOR MEWS OWNERS ASSOCIATION, INC., whose name is signed to the foregoing instrument, appeared before me and personally acknowledged the same in my jurisdiction aforesaid on behalf of the Association.

GIVEN under my hand and seal on September 21, 1995.

*Laurie S. Uthoff* (SEAL)  
Notary Public

My commission expires: May 31, 1997



COMMONWEALTH OF VIRGINIA

COUNTY OF Fairfax, to wit,

I, the undersigned Notary Public, in and for the state and county aforesaid, do hereby certify that Douglas W. Macted, Div. Vice President of TRAFALGAR HOUSE PROPERTY, INC., whose name is signed to the foregoing instrument, appeared before me and personally acknowledged the same in my jurisdiction aforesaid on behalf of the corporation.

GIVEN under my hand and seal on September 21, 1995.

James S. Wethoff (SEAL)  
Notary Public

My commission expires: May 31, 1997

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RECORDED FAIRFAX CO VA

TESTE:

John J. Gray  
CLERK