

DECLARATION

FOR

FLYNN'S CROSSING

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SUBMITTED LAND

EXHIBIT A

DECLARATION

FOR

FLYNN'S CROSSING

THIS DECLARATION is made as of _____, 19___, by FLYNN'S CROSSING REALTY CORPORATION, a Virginia corporation ("Declarant"), RELIANCE INSURANCE COMPANY, a Pennsylvania corporation ("Landowner") and FLYNN'S CROSSING HOMEOWNERS ASSOCIATION, a Virginia nonstock corporation ("Association").

R E C I T A L S:

R-1. The Landowner owns the land designated as Submitted Land in the legal description attached as Exhibit A hereto (and made a part hereof by reference) and the Declarant and the Landowner desire to subject such land 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 interest of future owners to subject the Submitted Land 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 for the maintenance of certain shared facilities.

R-3. To provide a means for meeting the purposes and intents of the Declarant and the intents and requirements of the County (as hereinafter defined), the Declarant has created under the laws of the Commonwealth of Virginia, the Flynn's Crossing Homeowners Association, whose members shall consist of all owners of land within the Property.

NOW, THEREFORE, the Declarant, the Landowner and the 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 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 (as hereinafter defined) 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. The Association accepts the responsibilities and obligations 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 superseded from time to time.

(2) "Articles of Incorporation" means the Articles of Incorporation for the Association filed with the Virginia State Corporation Commission, as amended from time to time.

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

(4) "Association" means Flynn's Crossing Homeowners Association and, with respect to the rights and obligations of the Association set forth in this Declaration, its successors and assigns.

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

(6) "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.

(7) "Builder" means a Person (other than the Declarant) who is regularly in the business and who purchases land or Lots within the Property for the purpose of resale or constructing improvements for resale or rental to others.

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

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

(a) "Reserved Common Area" means a portion of the Common Area for which the Board of Directors has granted a temporary, revocable license for exclusive use pursuant to Section 3.8.

(b) "Limited Common Area" means a portion of the Common Area which has been designated by the Declarant pursuant to Section 3.8 for the primary or exclusive (if specifically designated) use, as appropriate, of Owners of one or more but less than all of the Lots.

(10) "Common Expenses" means all expenses incurred 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 expenses incurred by or on behalf of the Association and benefiting one or more but fewer than all of the Owners and assessed against the Lots owned by the Owners benefited pursuant to Section 6.2(a)(2).

(11) "County" means Loudoun County, Virginia. All references to approval by the County shall mean approval by the appropriate agency of the County, as determined by the Office of the County Attorney at that time.

(12) "Covenants Committee" means one of the committees that may be established pursuant to Article 9 to assure that the Property will be maintained in a manner consistent with the purposes and intents of this Declaration. With respect to initial construction all references to the Covenants Committee shall mean the Initial Construction Committee.

(13) "Declarant" means Flynn's Crossing Realty Corporation, a Virginia corporation. Following the 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, the term "Declarant" shall mean or include that assignee.

(14) "Declarant Control Period" means the period of time beginning on the date of incorporation of the Association and ending on the earliest of: (i) the seventh anniversary of the date of recordation of the Declaration (provided, however,

that if the Declarant is delayed in the improvement and development of the Property due to a sewer, water or building permit moratorium or other cause or event beyond the Declarant's control, then the aforesaid period shall be extended for the period of the delay or three years, whichever period of time is less); (ii) the date seventy-five percent of the total number of planned dwellings permitted to be located on the Submitted Land are initially occupied or owned by Owners other than the Declarant or a Builder (the foregoing number may be increased or decreased in accordance with any amendments to the Development Plan or approvals affecting the number of permitted dwellings or if Exhibit A is amended to describe land not originally described which would allow an increased number of permitted dwellings or as otherwise provided in Section 4.2(a) of the Articles of Incorporation); (iii) the date specified by the Declarant in a written notice to the Association that the Declarant Control Period is to terminate; or (iv) the end of the Development Period.

(15) "Declaration" means this Declaration for Flynn's Crossing 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. A Supplementary Declaration may be part of a deed of subdivision.

(16) "Design Guidelines" means the standards and guidelines developed by the Declarant during the Development Period or adopted by the Board of Directors pursuant to Article 9.

(17) "Development Period" means the period of time that the Declarant or any Builder is engaged in development or sales of the Property or activities relating thereto, during which time the Declarant is entitled to exercise certain "Special Declarant Rights" under the Association Documents. Special Declarant Rights are described in Article 5. When all the Submitted Land is owned by Owners other than the Declarant (or a lender holding Special Declarant Rights) or a Builder and all the Declarant's bonds held by a governmental agency with respect to the Property have been released, then the Development Period shall end.

(18) "Development Plan" means the general development or site plan or plans for the Submitted Land as approved by the County and as amended from time to time. "Proffers" means the proffers of ZMAP 1995-0010 and ZCPA 1995-0005 applicable to the Submitted Land as approved by the County in conjunction with rezoning of the Property (dated February 4, 1997 as supplemented by letter of clarification dated March 28, 1997 and a deletion regarding the light rail train made at the April 2, 1997 meeting), including without limitation the Land Use Concept Plan, as amended from time to time. Although the Declarant intends to develop the Submitted Land substantially in accordance with the Development Plan and the Proffers, the Declarant reserves the right to modify the Development Plan and the Proffers subject only to the requirements and procedures of the County.

(19) "Land Records" means the land records of Loudoun County, Virginia.

(20) "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 land designated as Common Area and owned by the Association or land dedicated for public street purposes), together with any improvements now or hereafter appurtenant thereto. Lot shall also mean any condominium unit created in accordance with Chapter

4.2 of Title 55 of the Code of Virginia (1950), as amended, or any cooperative unit created in accordance with Chapter 29 of Title 55 of the Code of Virginia (1950), as amended. The common elements of any condominium or cooperative are appurtenances to the units and are part of the Lot and do not have separate voting rights or Assessment obligations.

(21) "Majority Vote" means a simple majority (more than fifty percent) of the votes entitled to be cast by Owners present in person or by proxy at a duly held meeting of the Owners at which a quorum is present. Any vote of a specified percentage of Owners means that percentage with respect to the number of votes actually cast by Owners present in person or by proxy at a duly held meeting of the Owners at which a quorum is present. Any vote of a specified percentage of the Board of Directors (or committee) means that percentage with respect to the number of votes entitled to be cast by directors (or committee members) present at a duly held meeting of the Board (or committee) at which a quorum is present. Any vote of or approval of a specified percentage of the Mortgagees means a vote of or approval (whether actual or presumed) by the Mortgagees calculated according to the number of votes allocated to the Lots (or the Owners of the Lots) on which a Mortgage is held by a Mortgagee.

(22) "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) which holds a first mortgage or first deed of trust ("Mortgage") encumbering a Lot and which has notified the Board of Directors of its status and has requested all rights under the Association Documents in writing pursuant to Section 13.2. Only for the purposes of the notice and inspection rights in Articles 13, 14 and 15, 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

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(VA), the Government National Mortgage Association (GNMA) and any other public or private secondary mortgage market agency participating in purchasing, guaranteeing or insuring Mortgages which has notified the Board of Directors of such participation in writing ("Secondary Mortgage Market Agency"). Where the approval of Mortgagees is required, such approval means: (i) written approval; (ii) any written waiver of approval rights; (iii) a letter stating no objection; or (iv) presumptive approval if a 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 10 of the Bylaws and Sections 13.2 and 14.4.

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

(24) "Owner" means one or more Persons who own a Lot in fee simple, but does not mean any Person having an interest in a Lot solely by virtue of a contract or as security for an obligation. The term "Owner" is also used to mean a member of the Association.

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

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

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

(28) "Submitted Land" means the land designated as such in Exhibit A and all land which is from time to time submitted to the Declaration.

(29) "Upkeep" means care, inspection, maintenance, snow and ice removal, operation, repair, repainting, remodeling, restoration renovation, alteration, replacement and reconstruction.

Section 1.2. Construction of Association Documents.

(a) Captions and Cross-References. The captions are provided only for reference, and shall not be deemed to define, limit or otherwise affect the scope, meaning or effect of any provision of the document in which used. All cross-references are to the Declaration unless otherwise indicated.

(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 or unenforceability 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 lawful, the provision shall be enforced. If any of the covenants, conditions, restrictions or other provisions of the Declaration or any Supplementary Declaration are deemed unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one years after the death of the last living survivor of the now living descendants of Elizabeth II, Queen of England.

(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. The easements granted and reservations made herein or in any Supplementary Declaration shall not terminate or merge and shall continue to run with the land, notwithstanding the common law doctrine of merger and the common ownership of the Property at this time by the Declarant. If there is any ambiguity or question as to whether any Person, land or improvement falls within any of the definitions set forth in Article 1, the determination made by the Declarant as evidenced in a Supplementary Declaration shall be binding and conclusive.

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 Owners. If more than one Person owns a Lot, then all of such Persons shall collectively constitute one Owner and be one member of the Association. The Declarant and 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 Owners; Voting Rights. The Association shall have the classes of Owners (members) with the voting rights set forth in Article 4 of the Articles of Incorporation and as follows.

The Class A Owners shall be the Owners, other than the Declarant during the Declarant Control Period. A Class A Owner shall have one vote for each dwelling located on or permitted to be located on each Lot owned; provided, however, that the Owner

of a Lot containing a multifamily building shall be entitled to one vote for every two dwellings located or permitted to be located on such Lot.

The Class B Owner shall be the Declarant. During the Declarant Control Period, the Class B Owner shall have 1,074 votes less three votes for each vote held by a Class A Owner other than a Builder when a vote is taken. If (i) the land described in Exhibit A is rezoned or the Development Plan is amended to permit a greater number of dwellings (or the Declarant obtains other approval to permit a greater number of dwellings to be constructed) than permitted at the time the Declaration is recorded, then the number of votes of the Class B Owner described above shall be increased by three times the number of additional dwellings permitted if such land were fully developed under the then applicable zoning and subdivision ordinances.

After the Declarant Control Period expires, the Declarant shall have one vote as a Class B Owner and the Declarant shall also become a Class A Owner and have Class A votes with respect to the Lots owned by the Declarant. The Class B membership shall expire at the end of the Development Period.

Any Person qualifying as a member of more than one voting class may exercise those votes to which such Person is entitled for each such class.

(d) Board of Directors. The Board of Directors is responsible for the management and Upkeep of the Property and the administration of the Association. 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.

Section 1.4. Merger or Consolidation. Upon merger or consolidation of the Association with another entity 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 entity 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.

ARTICLE 2

COMMON AREA

Section 2.1. Conveyance; Title. The Declarant shall convey the Common Area in each subdivided section of the Property 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). Any Common Area in each subdivided section of the Property shall be conveyed to the Association before the conveyance of any Lot in such subdivided section 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 or as directed by the Declarant. The Declarant shall have the right subject to obtaining all required governmental approvals and permits, to construct on the Common Area such facilities as the Declarant deems appropriate. The timing and phasing of all such construction shall be solely within the discretion of the Declarant. The Declarant will endeavor to specifically identify the Common Area, but such identification shall not be required in order for land to be Common Area. If the Declarant determines that particular land is or is not Common Area, such determination shall be binding and conclusive. It is specifically contemplated that the Common Area may change from time to time in connection with changes in the Development Plan or other factors not now known. Accordingly any reference in this Declaration to Common Area shall be deemed to refer to Common Area at the relevant time.

Section 2.2. Boundary Adjustments. The Association, acting through its Board of Directors without Owner or Mortgagee approval, 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 subdivisions by the applicable County ordinances comprising the Property at the time of the transfer; (ii) if the former Common Area is resubdivided into Lots, then the Declarant shall transfer or cause to be transferred to the Association such portion of the Property as is necessary to maintain the total acreage designated as Common Area at that level previously existing or the Association shall be otherwise reasonably compensated; (iii) the appropriate governmental authorities approve such Lot line adjustments; (iv) the boundary line adjustment or resubdivision is approved by all Owners of Lots for which the boundaries are being adjusted and all Lots previously adjacent to Common Area remain adjacent to Common Area unless the Owner of such Lot approves otherwise; and (v) the transfer does not materially change the Development Plan.

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 and to charge fees for the use of Common Area, if appropriate. The Association acting through its Board of Directors, without Owner or Mortgagee approval may also lease, mortgage, dedicate or convey Common Area (including Limited Common Area) or grant easements over and through the Common Area subject to the restrictions in Section 14.4.

ARTICLE 3

EASEMENTS

Section 3.1. Utility and Development Easements.

(a) General Utility Easement. A non-exclusive, perpetual blanket easement is hereby granted over and through the Common Area or any Lot (except that no easements may be granted which run or will run under a dwelling except to serve such dwelling) for the purpose of: (i) installing, constructing, operating, inspecting, maintaining, repairing or replacing equipment used to provide to any portion of the Property or adjacent land any utilities, including without limitation water,

sewer, drainage, gas, electricity, telephone or television service, whether public or private; and (ii) ingress and egress to install, construct, operate, inspect, maintain, repair and replace such equipment and (iii) storm water management and storm water drainage, as necessary or desirable for the orderly development of the Property or adjacent land. Such easement is hereby granted to any Person providing the aforesaid utilities or installing, constructing, operating, inspecting, 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. Equipment used to provide or meter such utilities or services shall be installed under ground, except as otherwise permitted by the Declarant during the Development Period or the Board of Directors. The Person providing a service or installing a utility pursuant to this easement shall install, construct, operate, inspect, 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 and improvements to their original condition (to the extent practical) as soon as possible. If the Person installing the utility or providing the service requests a specific easement by separate recordable instrument, then the Declarant, or the Association, acting through its Board of Directors without Owner or Mortgagee approval, shall have the power to grant and convey such easements and the right to record a deed or deeds 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; (ii) any Lot within ten feet of any boundary line of the Lot abutting a public or private street or ten feet from any other lot boundary line (except that no easements may be granted which run or will run under a dwelling except to serve such dwelling); for the purposes set forth in Section 3.1(a) or for any other purpose necessary or desirable for the orderly development of the Property or the adjacent land.

If the Person installing the utility or providing a service requests a specific easement by separate recordable document, then the Declarant or the Association, acting through its Board of Directors without Owner or Mortgagee approval, shall have the power to grant and convey such easements and the right to record a deed or deeds locating such easements.

(c) Easements to Facilitate Development.

(1) Easement to Facilitate Construction. 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; and (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 or adjacent land.

(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 or for sales trailers (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 right-of-way or a private street or roadway, trails, paths and sidewalks, street lights, 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 or to grant easements for the Upkeep of any

of the foregoing; 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 is hereby granted an easement to perform the Upkeep of any permanent structure or landscaping installed under (ii) above.

(3) Limitations on a Builder. Any rights granted to a Builder hereunder are specifically limited to the portion of the Property being developed by such Builder and expire upon the completion of construction by such Builder, conveyance of all Lots owned by such Builder and release of all County bonds posted 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 standards to be adopted by the Declarant to ensure an orderly and uniform development scheme for the Property.

(d) Release of 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 or utility company in connection with the release of bonds or the acceptance of streets for public maintenance with respect to the Property.

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

(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 or terminate any easements, rights-of-way and licenses as required by any government or governmental agency over and through all or any portion of the Common Area.

(g) 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.

(h) Duration of Development Rights; Assignment. 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. The Declarant may make limited temporary assignments of its easement rights hereunder to any Person performing construction, installation or Upkeep on any portion of the Property.

Section 3.2. Association Powers and Rights. The Association's exercise of the rights, powers and easements granted in Section 3.1(a), (b), (c) and (e) is subject to Section 14.4, but the time 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 are hereby granted the right of access over and through any portion of the Property (excluding the interior of any building), for the exercise and discharge of their respective powers and responsibilities including without limitation, to make inspections, to correct any condition originating in a Lot or in the Common Area threatening another Lot or the Common Area, to correct drainage, to perform installations or Upkeep of

utilities, landscaping or other improvements located on the Property for which the Association is responsible for Upkeep, or to correct any condition which violates the Association Documents. 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, and the costs incurred by the Association shall be assessed against such Owner's Lot in accordance with Sections 6.2 and 12.1.

Section 3.4. Easements for Encroachments. If any improvement on any Lot or portion of the Common Area now or hereafter encroaches on any other portion of the Property by reason of: (i) the original construction thereof; (ii) deviations within normal construction tolerances in the Upkeep of any improvement; or (iii) the settling or shifting of any land or improvement, an easement is hereby granted to the extent of any such encroachment for the period of time the encroachment exists. The Owner of the encroaching improvement shall also have an easement for the limited purpose of Upkeep of the encroaching improvement. This easement does not relieve any Owner or any other Person from liability for such Owner's or other Person's negligence or willful misconduct or excuse the violation of County ordinances.

Section 3.5. Easement for Emergency Access. An easement over and through all or any portion of the Property is hereby granted to the County for police, fire, ambulance and other rescue personnel in the lawful performance of their functions during emergencies.

Section 3.6. Easement for Use of Common Area.

(a) Use and Enjoyment. The Declarant reserves to itself and its successors and assigns during the Development Period and grants to each Owner a non-exclusive right and easement of use and enjoyment in common with others of the Common Area and Trails, except as limited by the designation of Limited Common Area or Reserved Common Area. Each Owner is also hereby granted a non-exclusive easement for egress and ingress and utility services (including lead sidewalks, driveway aprons and utility laterals) over the Common Area to the extent necessary to

provide vehicular and pedestrian access to such Lot for such Owner and such Owner's household members, tenants, guests, employees, agents and invitees. The Association, acting through its Board of Directors without further Owner or Mortgagee approval, is authorized on behalf of each Owner to relocate or to modify easements over and across Common Area now or hereafter granted to one or more Owners in this Declaration, in deeds of subdivision or otherwise; provided, however, that each Owner retains (in a location determined by the Board of Directors) a right of access to such Owner's Lot for vehicular and pedestrian ingress and egress and for utility services. A conveyance or dedication of a portion of the Common Area to any entity, other than an entity formed for similar purposes in which the Owner is a member, shall extinguish the Owners' easement rights except to the extent necessary to provide access and utility services to such Owner's Lot. The foregoing rights and easements of use and enjoyment and access, ingress and egress and utility services 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 members, tenants, guests, employees, agents and invitees and to such other Persons as may be permitted by the Association. The easements and rights granted by this Declaration shall not be enforceable by Persons to whom such easements and rights may be delegated by Owners, including without limitation the household members, tenants, guests, employees, agents and invitees of any Owner. This section does not affect, however, the rights of Mortgagees in possession or court-appointed officers in possession and control of a Lot acting in the name, place and stead of Owners, or any Person's right to enforce any easements or rights granted in any lease or agreement between such Person and an Owner.

(c) Limitations. The rights and easements of enjoyment created by 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 or 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 lease, convey or mortgage the Common Area owned in fee simple by the Association subject to the requirements in Section 14.4.

Section 3.7. 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 practical 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 or requesting the relocation.

Section 3.8. Reserved Common Area and Limited Common Area.

(a) Reserved Common Area. The Board of Directors shall have the power in its discretion from time to time to grant revocable licenses in the Common Area by designating portions of the Common Area as Reserved Common Area. Such Reserved Common Area shall be subject to such restrictions, reasonable charges and conditions on the use thereof as the Board may deem appropriate. Such Reserved Common Area shall be maintained by the Association or, at the Board's option, by the Persons having the exclusive right to use the Reserved Common Area.

(b) Limited Common Area. During the Development Period, the Declarant shall have the unilateral right, without the approval or joinder of the Association or any Owner or Mortgagee, to restrict portions of the Common Area owned in fee simple by the Association in the nature of an easement for the exclusive (if specifically designated) or primary, as appropriate, use of the Owners of one or more specific Lots by designating such portions of the Common Area as Limited Common Area. The Declarant may describe the Limited Common Area or Common Area that may be assigned as Limited Common Area in a Supplementary Declaration and, may thereafter unilaterally record an instrument assigning such Limited Common Area. The Declarant shall not, however, designate Common Area as Limited Common Area or Common Area that may be assigned as Limited Common Area once a Lot in that Section has been conveyed to an Owner other than the Declarant or a Builder and the Common Area has been conveyed to the Association. Limited Common Area which has been assigned to the exclusive use of an Owner or a group of Owners may only be reassigned with the prior written approval of: (i) Owners entitled to cast sixty-seven percent of the total number of votes appurtenant to Lots served by such Limited Common Area; (ii) the Association, acting through its Board of Directors; and (iii) during the Development Period, the Declarant; provided, however, that Limited Common Area assigned for the primary use of a group of Owners may be conveyed and the easement relocated by the Association acting through its Board of Directors without Owner or Mortgagee approval pursuant to Sections 2.2, 2.3 and 14.4.

Section 3.9. Land Submitted by Owners Other than the Declarant. Any Person other than the Declarant submitting land

to this Declaration hereby grants to the Declarant, the Association and to each other Owner all rights, easements and other interests with respect to such land granted or reserved in this Article and shall provide such further assurances as may be required.

ARTICLE 4

DEVELOPMENT OF THE PROPERTY

Section 4.1. Supplementary Declaration.

(a) By the Declarant. The Declarant hereby reserves the unilateral right, without the approval or joinder 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.

(b) By the Association. Only with the written consent of the fee simple owner of such land, and upon approval by: (i) at least a Sixty-seven Vote of Owners (including a Majority Vote of Owners other than the Declarant) or the written approval of Owners entitled to cast more than a sixty-seven of the total number of votes entitled to be cast by Owners (including a majority or the votes entitled to be cast by Owners other than the Declarant); and (ii) the written consent of the Declarant during the Development Period, the Association may submit adjacent land to the provisions of this Declaration and the jurisdiction of the Association, in accordance with the procedures set forth below and subject to the limitations of Section 14.4.

(c) Procedure for Expansion. The Declarant or 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"); provided, however, that the land added by the Declarant may not increase the size of the Submitted Land or the total number of votes in the Association by more than ten percent. Each Supplementary Declaration shall include a legally sufficient description of the land added and shall designate such land with a unique identifier so as to differentiate between each section of the Property. Any Supplementary Declaration may contain such additional provisions 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 was originally part of the Submitted Land, including the provisions for voting and Assessment.

Section 4.2. Withdrawal.

(a) By the Declarant. During the Development Period, the Declarant has the unilateral right, without the approval or joinder of the Association or any Owner (except the Owner of the land being withdrawn) or Mortgagee, to sign and record an amendment to the Declaration and the applicable Supplementary Declaration withdrawing any portion of the Submitted Land from time to time if such land is: (i) dedicated or to be dedicated to public use; (ii) conveyed or to be conveyed to a public agency; or (iii) zoned or used or to be used for commercial or non-residential purposes; provided, however, that to withdraw a Lot not owned by the Declarant, the consent of the Owner is required. Any land dedicated to a public authority for public street purposes is automatically withdrawn and the Declarant may unilaterally, without the approval or joinder of the Association or any Owner or Mortgagee, record an instrument confirming such withdrawal.

The Declarant hereby also reserves a unilateral right, without the approval or joinder of the Association or any Owner

(except the Owner of the land withdrawn) or Mortgagee to withdraw any section of the Property until such time as a portion of such section of the Property is owned by an Owner other than the Declarant, a Builder or the Association. The Declarant may record one or more amendments to this Declaration and the applicable Supplementary Declaration amending the exhibits thereto to withdraw the land described therein from the jurisdiction of the Association, and upon the recordation of any such amendment, this Declaration and the applicable Supplementary Declaration shall thereupon cease to bind, run with or otherwise affect the real estate thereby withdrawn. Conveyance of Common Area requires the approvals set forth in Section 14.4.

The Declarant may exercise the rights reserved without the approval or joinder of the Association or any Owner (except the owner of the land withdrawn) or Mortgagee, and such right may be terminated only upon the recordation by the Declarant of an instrument relinquishing such right. There are no limitations on the right to withdraw except as set forth in this section and in Sections 14.4 and 14.5.

(b) By the Association. In addition, any portion of the Property that is: (i) dedicated or to be dedicated for public purposes; (ii) conveyed or to be conveyed to a public agency; and (iii) zoned, used or to be used for non-residential purposes, may be withdrawn by the Association upon: (i) the approval of the Board of Directors; (ii) the approval of the Declarant, during the Development Period; (iii) the approval of Owners by a Sixty-seven Percent Vote of the Owners or the written approval of Owners entitled to cast at least sixty-seven percent of the total number of votes (in both cases excluding the votes of the Declarant during the Declarant Control Period); and (iv) the approval of the Owner of the land being withdrawn. Any land dedicated for public street purposes shall be deemed to be automatically withdrawn.

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 have, use, grant, reserve, vacate and terminate easements over and through the Property for the purpose of making improvements within the Property as provided in Article 3; (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; (iii) to exercise the rights and votes of the Class B Owner; (iv) to remove and replace any director elected by the Class B Owner; (v) to make unilateral amendments to the Association Documents as provided in Sections 3.8, 4.1, 4.2 and 14.1; (vi) to withdraw Submitted Land pursuant to Section 4.2 and (vii) to exercise any other rights reserved or given to the Declarant by the Association Documents.

Section 5.2. Transfer of Special Declarant Rights.

The Declarant may unilaterally transfer (without the approval or joinder of the Association or any Owner or Mortgagee) Special Declarant rights created or reserved under the Association Documents to (i) any Person acquiring Lots from the Declarant or (ii) any lender holding a mortgage or deed of trust on Lots owned by the Declarant. Such transfer shall be evidenced by an instrument recorded in the Land Records. The instrument is not effective unless signed by the transferor and transferee; provided, however, that a Person may unilaterally sign an instrument to acquire some or all of the Special Declarant Rights with respect to the land acquired if such Person acquires all the Lots owned by a declarant at the time of transfer pursuant to a mortgage or deed of trust by foreclosure or deed in lieu of foreclosure. Such instrument must be recorded within a reasonable time after acquisition of the land.

A successor to Special Declarant Rights held by a transferor who succeeded to those rights pursuant to a mortgage or deed of trust or a foreclosure or a deed in lieu of foreclosure may declare the intention in an instrument recorded in the Land Records to hold those rights solely for transfer to another Person. Thereafter, until transferring the Special

Declarant Rights to a Person acquiring title to any Lots owned by such successor, or until such successor records an instrument assuming the right to exercise the Special Declarant Rights, that successor may not exercise any of the Special Declarant Rights other than (i) any right held to vote as the Class B Owner or (ii) to approve or disapprove: (A) amendments to the Association Documents, (B) dissolution of the Association, or (C) termination of the Declaration. So long as a successor does not exercise Special Declarant Rights (except the right to vote as described above) under this subsection, such successor is not subject to any liability or obligation as a declarant.

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 as such Persons shall agree among themselves or based on the relative square footage of (if unimproved) or number of dwelling units located on (if improved) the Submitted Land owned by each declarant if not otherwise provided. 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 except to the extent provided otherwise in an instrument assigning the Special Declarant Rights to 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 14.2.

Section 5.3. No Obligations. Nothing contained in the Association Documents shall impose upon the Declarant any obligation of any nature to build, construct, renovate, provide or warrant any improvements. The Declarant shall not 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. This section shall not be construed to release or absolve the Declarant, its successors or assigns, from any obligation imposed by the duly adopted ordinances of the County, including the approved Proffers and conditions of subdivision approval.

PART TWO

ARTICLE 6

COMMON EXPENSES AND ASSESSMENTS

Section 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 9.4 of the Bylaws.

(b) Preparation and Approval of Budget.

(1) At least forty-five 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 or deeds of subdivision, Upkeep of the Lots, the cost of administration of the Association and 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), 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 or summary of the budget. Such budget shall constitute the basis for determining the Assessment against each Lot.

(3) The budget may also reflect the separate Assessment of Limited Common Expenses, including without limitation certain expenses (and reserves) relating to or benefiting

one or more but fewer than all of the Lots, whether categorized by location or type of expense. Such expenses may be assessed only against the Lots benefited in accordance with Section 6.2(a)(2).

(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. 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 the Association 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. All sums collected by the Board of Directors from Assessments or any other source may be commingled into a single fund.

(d) Initial Assessment.

(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. 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.

(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.

(f) Pledge of Revenues. The Board of Directors, by a vote of two-thirds of the total number of directors, shall have the right and power to assign and pledge all revenues to be received by the Association, including but not limited to Annual and Additional Assessments, in order to secure the repayment of any sums borrowed by the Association from time to time.

Section 6.2. Assessments.

(a) Purpose and Rate of Assessment.

(1) Subject to the provisions of paragraph (2) of this Subsection 6.2(a) and Section 6.3 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) for the maintenance of adequate reserves; or (iv) for meeting other obligations of the Association established pursuant to this Declaration, other shared maintenance agreements, subdivision documents or easements or governmental requirements, the Board of Directors shall establish an Annual Assessment rate for each Lot for Common Expenses, excluding Limited Common Expenses, in an equal amount against all Lots subject to Assessment; provided, however, that if a Lot contains a multifamily rental building or condominium, Assessments against such Lot shall be based on the number of dwelling units divided by two, multiplied by the general Assessment rate, and/or as further provided in the Supplementary Declaration for such Lot.

(2) Limited Common Expense Assessment. Limited Common Expenses may 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 may include without limitation:

(A) Any expenses incurred in the Upkeep or maintenance of reserves for the Upkeep of any Limited Common Area may be assessed only against the Lots to which such Limited Common Area is appurtenant.

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

(C) Any services or utilities to Lots which vary based on usage shall be assessed against the Lots served based on usage.

(D) 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 such Owners 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 Section 6.2(a)(1), inter se.

(E) Any expenses unique to a certain housing type or geographical location may be assessed as a Limited Common Expense.

(b) Additional Assessments. The Board of Directors may levy Additional Assessments on the Lots subject to Assessment pursuant to Section 6.2(a)(1). 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 installments, as the Board may otherwise determine. Such Assessment shall be a lien as set forth in Section 12.2.

(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 Section 7.2(a) 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 Section 12.1(h); (iii) for any costs incurred by the Association because of any violation or negligence for which that Owner is responsible under Section 12.1; and (iv) for contractual charges levied pursuant to Section 6.2(d). Each such Assessment shall be due within ten days after notice thereof is given to the Owner unless the notice specifies a later date.

(d) Optional Expenses. Upon request, the Association may provide certain services to Owners (including the Declarant) on a contractual basis; provided, however, that the charge for such services shall be assessed against such Owner's Lots in accordance with the terms of the contract.

(e) 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. Reserves for items serving only certain Lots shall be accounted for and funded solely by the Owners of the Lots served (as a Limited Common Expense). As to each separate reserve account:

(1) Extraordinary expenditures not originally included in the annual budget, which may become necessary during the year, shall be charged first against the appropriate reserves. Except for expenses for normal Upkeep shown in the annual operating budget, all expenses for repair and replacement of physical assets maintained by the Association shall be charged first against the appropriate reserves. Unless otherwise determined by the Board of Directors, the amount held as reserves shall not substantially exceed the amount reasonably required to assure the Association's ability to replace components as they reach the end of their useful lives.

(2) If regular annual Upkeep extends the useful life of components so that reserves are excessive, the reserves shall be adjusted by reallocation to other budget items or by

distribution to each Owner (including the Declarant) in proportion to the percentage (if any) of Assessments paid by such Owner.

(3) If the reserves are inadequate to meet actual expenditures for any reason then the Board of Directors shall, in accordance with Subsections 6.2(b) and (g), levy an Additional Assessment against the Lots.

(f) Surplus and Deficit.

(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, or (iv) 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 next succeeding fiscal year is adjusted to amortize the deficit during such 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 and Builders are exempt from Assessment in accordance with Section 6.3, then during the Declarant Control Period the Declarant shall make up any net shortage (expenses and reserves) in the Association's budgeted operating income over the Association's ordinary operating expenses as provided in Section 6.3, but the Declarant is not obligated to pay any expenses that the Association is unable to meet because of non-payment of any Owner's Assessment or unusual or extraordinary expenses not included in the budget. In addition, previous years' surpluses may be used to offset deficits, even though the Declarant may have a deficit funding obligation under Section 6.3.

(g) Lots Improved During the Fiscal Year. Notwithstanding any other provision of this Article, whenever a certificate of occupancy is issued for an improvement on a Lot, the Assessment against such Lot (other than unoccupied Lots which

are owned by the Declarant or a Builder and exempt from Assessment in accordance with Section 6.3) shall be calculated in the same manner and be due in the same number of installments as the Assessment for the remainder of the fiscal year against other Lots with improvements.

(h) Fire and Rescue Fees. The Owner of each Lot shall pay to the Association annually a contribution for distribution to the entities providing fire and rescue services to the Property ("Fire and Rescue Fees"). The Board of Directors may determine to collect such contribution in a single payment or in installments. Such contribution shall be sixty-four and 50/100 dollars (\$64.50) for each residential unit actually located on a Lot. The foregoing amount shall be adjusted annually in accordance with the Consumer Price Index-All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics, U.S. Department of Labor (or a similar successor index), beginning on January 10, 1999. (The CPI-U for January of 1998 was 161.6.) The fees collected by the Association shall be paid directly in equal shares to the fire and rescue companies serving the Property on a quarterly basis. The first payment of such contribution for a Lot shall be due one year after a zoning permit has been issued by the County for an improvement located on such Lot. The obligation to pay the foregoing contribution shall continue until such time as the fire and rescue companies serving the Property receive more than seventy-five percent of their annual operating budget from County funding.

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

(a) Reduced Assessment. Lots which have never been occupied and are owned by the Declarant or a Builder shall be assessed at twenty-five percent of the amount assessed per dwelling or Lot for Common Expenses, including Limited Common Expenses.

For so long as the Declarant (or Builder), pays the reduced Assessment for an unoccupied Lot, 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 (based on expected

useful life of the Common Area improvements), as determined by the Board of Directors. The Declarant's deficit funding obligation hereunder may be satisfied with in-kind payments of services or materials. The Declarant's obligation under this section does not include any expenses that the Association is unable to meet because of nonpayment of any Owner's Assessment or because of unusual or extraordinary expenses not included in the budget. The obligations of the Declarant and any Builder under this section shall be a lien against the portion of the Property owned by the Declarant or such Builder, as appropriate. A Lot shall be subject to paying the full Assessment only after the earlier of: (i) conveyance to an Owner other than the Declarant or a Builder or (ii) initial occupancy.

(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 which have never been occupied) owned by the Declarant or a Builder shall be exempt from full Assessment for Common Expenses for so long as the reduced Assessment for such Lots is paid. Notwithstanding the foregoing, unoccupied Lots owned by the Declarant or a Builder are subject to the Fire and Rescue Fee imposed by the Proffers as set forth in Section 6.2(h). The exemption from paying Assessments shall not apply to Lots used for model home purposes.

Section 6.4. Liability for Common Expenses.

(a) 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 also 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 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 (i) the amount shown on a Statement of Common Expenses; (ii) if no Statement of Common Expenses is obtained, the amount shown on an assessment or judgment lien against the Lot filed in the Land Records; or (iii) if no Statement of Common Expenses is obtained and no assessment or judgment lien has been filed, the amount owed not to exceed six months worth of the Annual Assessment for Common Expenses, including Limited Common Expenses, in any case without prejudice to the purchaser's right to recover from the selling Owner amounts paid by the purchaser therefor. The Lot shall also remain subject to a lien for the amount owed to the Association in accordance with this section until such amount has been paid. 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 accrued prior to the date such Person comes into possession thereof, except as provided below and except 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 such Person takes title. The lien created by Section 12.2 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 under the Mortgage, then 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 may accrue a late charge in the amount of Fifteen Dollars per dwelling 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. The late

charge is in addition to the Association's other enforcement powers pursuant to Article 12.

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 (or within such other time period as may be required by law), 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 ("Statement of Common Expenses"). 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.

Section 6.7. Assessment from Lots Subject to Subassociations. With respect to any Annual or Additional Assessments provided for herein which are payable by Owners of Lots which are also members of another property owners association or a condominium unit owners association ("Subassociation"), the Board of Directors may elect by resolution to collect Assessments directly from the Subassociation which also governs such Lots. In such event, payment of such Assessments shall be an obligation of such Subassociation, but each Owner shall remain personally liable for the Assessment against such Owner's Lot and each such Lot shall remain subject to a lien for Assessments. If the Board elects to collect Assessments from such Subassociation, then all notices regarding Assessments against such Lots shall be sent to such Subassociation, but notices of any intention to lien an Owner's Lot shall also be sent to the Owner of the Lot. This section shall not limit or waive any of the Association's remedies for non-payment of Assessments. Any Owner of a Lot subject to the jurisdiction of a Subassociation which did not pay the Assessment levied against such Subassociation hereunder,

shall have the right to pay the portion of such Assessment attributable to such Lot directly to the Association, and such Lot shall not be subject to further Assessment or lien by Association or the Subassociation with respect to such Assessment.

ARTICLE 7

OPERATION OF THE PROPERTY

Section 7.1. Upkeep by Association. (a) General. The Association shall be responsible for the management and Upkeep of all of the Common Area, including without limitation: (i) Upkeep of all open areas, including grass cutting, garbage and trash collection, landscaping and lawn maintenance; (ii) Upkeep of the private streets and roadways, sidewalks, trails and parking areas, including snow and ice removal and repair and replacement; and (iii) Upkeep of play areas and all other improvements located on the Common Area. The cost of such management and Upkeep shall be charged to Owners as a Common Expense or Limited Common Expense, depending on the nature of the service provided. Notwithstanding the foregoing, lead sidewalks, driveway aprons and utility laterals shall be maintained by the Owner of the Lot served or, if so determined by the Board of Directors, by the Association at such Owner's expense. 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 for easement areas pursuant to Section 3.3 or other areas described in the subdivision documents for the Property or separate easement agreements. If proposed Parcel 32C obtains a curb cut for direct access to a public street without crossing proposed Parcel 32B's private travel lane, then all parking and road Upkeep serving less than all of the Lots shall be done by the Lots served or a subassociation governing such Lots, at their own expense. Notwithstanding the general provisions for Upkeep of Common Area set forth in this section, other specific responsibilities for Upkeep and allocations of the costs of Upkeep shall be determined by any provisions therefor included in a Supplementary Declaration or as part of a deed of subdivision or deed of easement for a portion of the Property. 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,

the cost of such Upkeep shall be assessed against such Owner's Lot pursuant to Sections 6.2(c) and 12.1(h). Further, the Board may determine that all or a part of the Upkeep of any portion of the Common Area designated as Reserved Common Area shall be performed by the Person having the exclusive right to use the same. The Board of Directors shall establish the standards for Upkeep of the Common Area in its sole discretion. Loudoun County and the Virginia Department of Transportation will not be responsible for the maintenance, repair or replacement of private roads.

(b) Storm Water Management. The Upkeep of the storm water management facilities and easements on or serving the Property shall be performed by the Association and shall be a Common Expense; provided, however, that the Upkeep obligations identified in this subsection shall cease and terminate at such time as the County, through a department of public works or some similar agency, elects to maintain the storm drainage and management facilities contained within the easements, or elects to maintain all such easements within the watershed where the easement is located. The Association may, but is not obligated to provide additional Upkeep to the extent not provided by the County. The Owner of any Lot on which there is located an easement for storm water drainage, management or control shall be responsible for the following items of maintenance, where applicable, grass mowing with reasonable frequency and the removal of debris and other matter to the best of Owner's ability where such debris or matter has impeded or threatens to impede the free flow of storm water through drainage structures. Such Owner's responsibility shall include notification of the Association of: (i) any defects in any fencing, if any, surrounding or within the easement; (ii) any debris or other matter which is beyond such Owner's ability to remove; and (iii) any excessive erosion within the area of the easement. The Association shall have easements pursuant to Sections 3.1, 3.2 and 3.3 to enter upon any Lot to the extent necessary for Upkeep of such facilities.

(c) Entrance Features, Signs 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: (i) entrance features; (ii) sidewalks, trails and paths; (iii) project, street, traffic and directional signage and accessories, including poles; (iv) bus shelters; (v) pedestrian underpasses or overpasses; (vi) street lights and accessories, including poles; (vii) mail box pavilions; and (viii) landscaping and associated lighting and irrigation systems--but not including street pavement area. The Association shall also maintain the items listed above located within the Property or within the public rights-of-way adjacent to or leading to the Property to the extent such items are not maintained by a governmental authority or others and to the extent required and permitted by the appropriate governmental authorities.

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

(e) Shared Maintenance. The Board of Directors may enter into shared maintenance agreements to maintain areas whether or not located within the Property. Such areas may include without limitation 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, excluding street pavement areas). The amounts charged the Association pursuant to such agreements shall be a Common Expense, or a Limited Common Expense, as determined by the Board of Directors.

Section 7.2. Upkeep by Owners.

Each Owner shall keep such Owner's Lot and all improvements located on the Lot in good order, condition and repair and in a clean and sanitary condition including without limitation, all necessary grounds maintenance and snow removal,

in accordance with local ordinances, except as provided otherwise in this Declaration or in a Supplementary Declaration. Each Owner shall maintain the lead sidewalk, driveway, driveway apron, utility laterals and streetlights serving each Owner's Lot, even if located on Common Area. Each Owner shall also provide snow removal for any sidewalks located adjacent to such Owner's Lot. Each Owner shall perform these responsibilities in such a manner as shall not unreasonably disturb or interfere with the reasonable enjoyment by the other Owners of their Lots. 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, describing generally the action to be taken to rectify that condition. If the Owner fails to take the actions described 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 or the Covenants Committee shall have the right, but not the obligation, pursuant to Sections 3.3 and 12.1(f) and any resolutions adopted by the Board of Directors or the Covenants Committee, to rectify that condition by taking such action (or by causing action to be taken) as was generally described in the notice. The costs incurred in rectifying the condition shall be assessed against such Owner's Lot in accordance with Sections 6.2(c) and 12.1. The Owner shall reimburse the Association within thirty days after delivery of a statement for such expenses from the Board.

Section 7.3. Manner of Repair and Replacement. All repairs and replacements by the Association or the Owners shall be substantially similar to the original construction and installation and shall be of first-class quality, but may be made with contemporary materials. The method of approving payment vouchers for all repairs and replacements made by the Association shall be determined by the Board of Directors.

Section 7.4. 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 the aggregate in excess of twenty percent 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 shall require a vote of the Owners pursuant to Section 14.4 hereof, 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 costing in the aggregate twenty percent or less of the total Annual Assessment for Common Expenses for that fiscal year or replacement items or items of Upkeep during any period of twelve consecutive months may be made by the Board of Directors without approval of the Owners and the cost thereof shall constitute a Common Expense or a Limited Common Expense depending on the nature of the improvements.

Section 7.5. Disclaimer of Liability. The Board of Directors, the Association, any Owner and the Declarant shall not be considered a bailee of any personal property stored or placed on the Common Area (including property located in vehicles parked on the Common Area), whether or not exclusive possession of the particular area is given to an Owner for parking or otherwise, and shall not be responsible for the security of such personal property or for any loss or damage thereto. The Association shall not be liable for any failure of or interruption to the water supply or other services to be obtained by the Association or paid for as a Common Expense, or for personal injury or property damage which is caused by the elements or by any Owner or any other Person, or which results from electricity, water, snow or ice which may leak or flow from or over any portion of the Property or from any pipe, drain, conduit, appliance or equipment, or any secondary or consequential damages of any type. No diminution, offset or abatement of any Assessment shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Property by the Association or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any governmental authority. This section is not intended nor shall it be construed to relieve any insurer of its contractual obligations under any policy benefiting the Association or an Owner.

Section 7.6. Parking. Except for any parking spaces assigned as Reserved or Limited Common Area, 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 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 members, 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, the Board of Directors may limit the number of parking spaces used by one Owner, assign parking spaces as Reserved Common Area 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. During the Development Period, the Declarant reserves the right to use a reasonable number of parking spaces located on the Common Area for sales and development purposes.

ARTICLE 8

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

NOTICE: THE PROPERTY IS LOCATED WITHIN AN AREA THAT WILL BE
IMPACTED BY AIRCRAFT OVERFLIGHTS AND AIRCRAFT NOISE.

Section 8.1. Permitted Uses. No Lot shall be used for other than residential, recreational or related purposes which are permissible under local ordinances, without the prior written approval of the Board of Directors, as provided in Section 8.2(g). Notwithstanding the foregoing, nothing in the Association Documents shall be construed to prohibit the Declarant 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 or 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 who are Builders, exclusively, simultaneously or consecutively with respect to the Common Area or 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 approval 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. The Board of Directors may assess any excess costs for insurance against the responsible Owner. 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 and other ordinances, including the Proffers and the Development Plan, rules and regulations of all governmental agencies having jurisdiction thereof shall be observed; provided, however, that the Association and the Board of Directors shall have the power but not the obligation to enforce such laws, ordinances and regulations, enforcement being the primary responsibility of government officials. 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 a 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, sewer 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.

(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 resulting in significant and unjustified 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 lawfully on any portion of the Property. No Person shall place or cause or permit anything to be placed on or in any portion of the Common Area without the prior written 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 or the Declarant during the Development Period.

(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. Uses within the Common Area are restricted to those approved as part of the Land Use Concept Plan as set forth in the Proffers. 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 (except those areas, if any, designated as Limited Common Area or Reserved 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, except the Association or the managing agent.

(g) Home Businesses. No Lot containing a single family dwelling or condominium unit shall be used for any business, commercial, manufacturing, mercantile, storing, vending or other similar purposes; provided, however, that an Owner may maintain an office or home business in the dwelling on such Owner's Lot if: (i) such office or business does not generate significant traffic or parking usage (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; (iii) such Owner has obtained approvals for such use as may be required by the appropriate local governmental agency; (iv) the activity is consistent with the residential nature of the Property and complies with local ordinances; and (v) the Owner has obtained prior written approval of the Board of Directors. 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. Garage sales, yard sales and similar activities shall be conducted only in accordance with the Rules and Regulations adopted by the Board of Directors.

(h) Signs. Except for such signs (including without limitation flags, banners or similar items) 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 neighboring property unless in compliance with the Design Guidelines without the prior written approval of the Covenants Committee.

(i) 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. No Lot shall be used as a dumping ground for trash and rubbish. Trash containers shall not be permitted to remain in public view 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 Expense, as appropriate. No incinerator shall be kept or maintained upon any Lot without the prior written approval of the Board of Directors.

(j) 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 streets or private streets and roadways. 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, 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 except for those located in easements existing prior to the recordation of this Declaration or as approved by the Declarant, during the Development Period, or the Board of Directors thereafter.

(k) Accessory Improvements. No structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel, run, stable or other accessory building shall be erected, used or maintained on any Lot except in connection with construction or marketing activities by the Declarant or a Builder (as permitted by the Declarant) without the prior written approval of the Covenants Committee. No exterior air conditioning unit, solar panels, burglar bars or similar equipment attached to the exterior of a building may be installed or modified without the prior written approval of the Covenants Committee unless in compliance with established Design Guidelines. No basketball hoops, swings or other play equipment may be erected, placed or maintained on any Lot, except with the

prior written approval of the Covenants Committee. No decorative items may be placed on the dwellings or in the yard of any Lot, without the approval of the Covenants Committee or in accordance with the Design Guidelines.

(l) Cutting Trees. 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, including trees located in any "Tree Save Area" designated on the Development Plan, without the prior written approval of the Covenants Committee unless necessary to construct improvements based on plans previously approved by the Covenants Committee. Further, no live trees planted by the Declarant or a Builder to comply with County ordinances or the Proffers shall be cut without the prior written approval of the Covenants Committee. The Board of Directors may adopt Rules and Regulations for cutting of trees to allow for selective clearing or cutting.

(m) Antennas. No exterior antenna, satellite dish or similar exterior improvement shall be maintained upon the Property unless the prior written approval of the Covenants Committee is obtained; provided, however, that the Association shall not prevent access to telecommunication services in violation of applicable law. Exterior antennas, satellite dishes greater than one meter (39 inches) in diameter or located in the front of the dwelling, or amateur radio equipment generally will not be allowed upon the Property; provided, however, that: (i) an Owner may install an antenna permitted by the Association's antenna rule upon prior written notice to the Covenants Committee; (ii) the Covenants Committee may approve other antennas in the appropriate circumstances; and (iii) the Covenants Committee may establish additional guidelines for antennas as technology changes. The Board of Directors may install and maintain antennas, satellite dishes or similar equipment on the Common Area to serve the Property.

(n) Fences. Except for any fence or wall installed by the Declarant or a Builder (if permitted by the Declarant) or by the Association, no fence or wall shall be installed except with the prior written approval of the Covenants Committee. No chain link fences shall be permitted without the prior written approval of the Covenants Committee; provided, however, that chain link fences or other metal fencing may be used for the protection of recreational facilities and the Declarant or a Builder may erect a chain link fence for the protection of building materials on building sties.

(o) Vehicles. Except in connection with construction activities, no commercial vehicles (vehicles on which commercial lettering or equipment is visible or which are larger than normally used for noncommercial purposes), taxicabs or trailers, campers, recreational vehicles, boats or other large vehicles, including grounds maintenance equipment, or ATVs or dune buggies may be parked or used on any portion of the Common Area or on 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 then only in such parking areas or for such time periods (if any) as may be designated for such purposes by the Board of Directors. Parking of all such vehicles and related equipment, other than on a temporary and non-recurring basis, shall be in garages or in areas designated by the Board of Directors, if any. The Board has no obligation to designate any such area or permit parking of such vehicles. No junk or derelict vehicle or other vehicle on which current registration plates or decals 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 and storage of vehicles are not permitted, except in accordance with the Rules and Regulations; provided, however, that washing of vehicles on Lots and noncommercial repair of vehicles is permitted as provided in the Rules and Regulations. All motor vehicles shall be driven only upon paved streets and parking lots. No motor vehicles, including without limitation trail bikes, motorcycles, dune buggies and snowmobiles, shall be driven on unpaved portions of the Common Area, except vehicles which are authorized by the Board of Directors as needed to maintain,

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repair or improve the Common Area or for other specific purposes approved by the Declarant during the Development Period or the Board of Directors. This prohibition shall not apply to normal vehicular use of designated streets and lanes constructed on the Common Area.

Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the Rules and Regulations now or hereafter adopted may be towed by the Association at the sole expense of the Owner of such vehicle if such vehicle remains in violation for a period of 24 hours from the time a notice of violation is placed on the vehicle. The Association shall not be liable to the Owner of such vehicle for trespass, conversion or otherwise, not guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the Owner to receive the notice for any other reason, shall be ground for relief of any kind. An affidavit of the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting. For purposes of this paragraph, "vehicle" also includes without limitation campers, mobile homes and trailers.

(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 (i) the keeping of guide animals and a reasonable number of orderly, traditional domestic pets (e.g., one dog, cat or caged bird) 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. Any such pet causing or creating a nuisance or unreasonable disturbance or noise shall 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 which regularly leave the Lot shall be registered and inoculated as required by law. The Board of Directors may establish reasonable fees for the registration of pets which leave the Lot to compensate for the costs incurred by the Association due to the presence of such animals on the Property. The appropriate governmental authorities shall have an easement across the Property to enforce local animal control laws and ordinances.

(q) Mailboxes and Newspaper Tubes. Only mailboxes and newspaper tubes meeting Design Guidelines or approved by the Covenants Committee shall be permitted.

(r) Lighting. No exterior lighting on a Lot shall be directed outside the boundaries of such Lot except for required street and parking lot lighting; typical residential flood lights directed toward the dwelling shall be permitted. All exterior lighting must comply with the Design Guidelines or have the prior written approval of the Covenants Committee.

(s) Clothes Drying Equipment. No exterior clotheslines or other clothes drying apparatus shall be permitted, 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) 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.

(u) Hunting and Firearms. No hunting or trapping of any kind or discharge of any firearm or other weapon or device shall be permitted within the Property without the prior written approval of the Board of Directors.

(v) Garages. No garage shall be converted to living space or altered or used for purposes which would prevent the use of the garage for the parking of the intended number of vehicles

for which it was constructed without the prior written approval of the Covenants Committee.

(w) Construction and Upkeep 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 performed 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 materially 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's or occupant's actions affect the appearance of or value 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 and value of 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. 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

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Association Documents, neither the foregoing 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 the acts of any Builder approved by the Declarant 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 Lot upon which a single family dwelling or condominium unit is located (but excluding any Lot on which there is a multifamily rental building), 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 with the Association Documents constitutes a default under the lease. The Board of Directors may suggest or require a standard form provision for use by Owners. 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 the 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.

Section 8.6. Resubdivision and Rezoning.

(a) Resubdivision. A Lot may be subdivided or altered so as to relocate the boundaries between such Lot and any adjoining Lot, only with the prior written approval of the Declarant, during the Development Period, or the Board of Directors thereafter, and with any required approvals by the Mortgagees of the affected Lots and the appropriate governmental authorities. This section is not intended to require the approval of the Declarant or the Board of Directors to leases, deeds of correction, deeds to resolve boundary line disputes or similar corrective instruments, or deeds granting any easement, right-of-way or license to any governmental or public entity, utility, the Association or the Declarant for any purpose. This section is not intended to apply to the relocation of boundary lines or resubdivision of a Condominium Unit.

(b) Rezoning and Proffer Amendments. No Owner shall seek to rezone or amend the proffers affecting such Owner's Lot without the prior written approval of the Declarant during the Development Period, and thereafter, without the prior written approval of the Board of Directors. The Declarant reserves the right to subdivide or seek to rezone or amend the zoning, concept plan or proffers applicable to any portion of the Property during the Development Period, without the approval of any Owner. To the extent the approval and consent of any Owner is required under State or local law to apply for or obtain any rezoning, development plan, comprehensive plan or proffer condition amendment or to make any subdivision submission, then each Owner appoints the Board of Directors of the Association as its attorney-in-fact to sign such application or amendment on behalf

of the Owner or in the alternative, upon request each Owner agrees to sign the application, amendment or other documents required for such action; provided, however, that such joinder shall be without cost or expense to such Owner unless such cost or expense is expressly accepted by such Owner; and provided, further, that this covenant does not apply to any amendment which would materially, adversely affect an Owner's ability to use such Owner's Lot for its intended purposes or significantly increases such Owner's development costs.

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 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'), household members, 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 Upkeep of the Property; provided, however, that neither the Board of Directors nor the Covenants Committee shall have the power to regulate the activities of the Declarant on the Common Area or any Lot owned by the Declarant or construction or alterations on any Lot which has been approved by the Declarant during the Development Period; and provided, further, that the Covenants Committee established by the Board shall not have the power to review initial

construction on the Property, if such construction is reviewed by the Initial Construction Committee or 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 Lot owned by the Owner making application; provided, however, that the Committee shall inform the applicant Owner of the potential fees before incurring or assessing such fees and the Owner shall have the option to withdraw such Owner's application.

(3) The Covenants Committee shall have the power pursuant to Section 12.1(h) (upon petition of any Owner 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 members, guests, employees, agents or 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 Guidelines or other matters relative to architectural control and protection of the aesthetic or property values of the Property.

(5) Subject to Section 9.2, the Covenants Committee may propose Design Guidelines for approval by the Board of Directors. Such Design Guidelines approved by the Board of Directors (as the same may be amended by the Board of Directors from time to time) 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 of its actions. Any action, ruling or decision of the Covenants Committee (but not the Initial Construction 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 or any other Person as determined appropriate by the Board, and the Board may modify or reverse any such action, decision or ruling.

(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 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 Section 12.1(h) and (i) 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. Notwithstanding the foregoing, neither the Covenants Committee nor the Board of Directors shall have authority to regulate new construction or alterations of existing improvements by the Declarant or by others as approved by the Declarant or approved by the Initial Construction Committee during the Development Period. Notwithstanding the foregoing, neither the Covenants Committee nor the Board of Directors shall have authority to regulate construction or alterations made by the Owner of a Lot containing a multifamily building with respect to such Lot, except as provided in the Supplementary Declaration for such Lot.

(d) Time for Response; Variances. The Covenants Committee shall act on all matters properly before it within forty-five days after its receipt 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 respond to 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 an approval by the Board of Directors of the proposed structure, 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 or exceptions from written Design Guidelines without a specific finding stating the variance or exception 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 Guidelines, all development conforming to such variance or exception shall be deemed to comply.

Section 9.2. Architectural Review During the Development Period. During the Development Period, the architectural review is actually performed by one of two committees, the Covenants Committee (appointed by the Board of Directors) or the Initial Construction Committee (appointed by the Declarant).

(a) Initial Construction. The Declarant shall have the right to adopt all initial Design Guidelines for the Property during the Development Period and review and approve or disapprove the plans for the initial construction of any structure 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. Such Design Guidelines for initial construction, as the same may be amended by the Declarant during the Development Period from time to time, are hereby incorporated herein by this reference and shall be enforceable as if set forth herein in full. In the alternative, the Declarant has the right to appoint an Initial Construction Committee, consisting of at least three persons to perform such tasks or at the Declarant's sole option the Declarant may delegate such tasks to the Covenants Committee. The Initial Construction Committee may establish its own applications and procedures and may charge a fee for its review. Decisions of the Initial Construction Committee are not appealable to the Board of Directors. The Declarant or the Initial Construction Committee has the right or power to waive enforcement or grant variances or exceptions from written Design

Guidelines in a written instrument stating the variance 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 Guidelines, all development conforming to such variance or exception shall be deemed to comply. The Declarant may appoint the Initial Construction Committee during the Development Period. After the Development Period ends, the Initial Construction Committee shall cease to exist. If the Declarant does not delegate its powers hereunder to an Initial Construction Committee or the Covenants Committee, then the Declarant may perform the functions of the Initial Construction Committee. All costs and expenses of the Initial Construction Committee not covered by application fees shall be deemed a Common Expense.

(b) Modifications and Rules Enforcement. Review of the plans for any additions, alterations or modifications to the exterior of existing improvements located on the Property and possible violations of the Association Documents and Rules and Regulations by an Owner, shall be conducted by the Covenants Committee in accordance with Section 9.1.

Section 9.3. Compensation of the Covenants Committee. One or more members of the Covenants Committee or the Initial Construction Committee may be compensated by the Association for their service on the Covenants Committee or the Initial Construction Committee (including designees of the Declarant) and for their technical or professional expertise as may be determined by the Board of Directors.

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 ordinary and routine repairs and maintenance 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 approval of the Covenants Committee. No Person shall paint, affix a sign not specifically permitted by

the Rules and Regulations to or alter the exterior of any improvement, including the doors and windows, without the prior written approval of the Covenants Committee. Approval by the Declarant, the Board of Directors or the Covenants Committee shall not relieve an Owner from any obligation to obtain required governmental approvals and permits. Upon request, the Owner shall deliver all approvals and permits required by law to the Covenants Committee, the Board of Directors or the Declarant, as appropriate, prior to the commencement of the construction requiring such approval or permit. If any application to any governmental authority for an approval or 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 approval has been given by the Declarant, the Board of Directors or the Covenants Committee, as appropriate, then the application shall be signed on behalf of the Association by an Officer or the managing agent without incurring any liability on the part of the Officer, the Declarant, the 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, at the expense of the Owner of the Lot, to conform to the Association Documents (including the Design Guidelines) within thirty days after notice of the violation.

(2) During the Development Period, the provisions of this section shall not apply to Lots owned by the Declarant or to new construction or alteration of existing improvements on any Lot if such construction or alteration has been approved by the Declarant. The Declarant or an Owner, if approved by the Declarant, shall have the right to construct improvements or make alterations to existing improvements without the approval of the Board of Directors or the Covenants Committee.

(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) which affixes a sign or takes 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 other ordinances and not detrimental to the value of the Property.

(b) Limitations.

(1) Any Person obtaining approval of the Covenants Committee shall substantially complete any construction or alteration within twelve 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 complete the work within twelve months after approval, or such other time period determined by the Committee, the 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 approval 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, at the request of the Owner thereof, shall 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. 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 or as a substitute for governmental approvals or permits. The Committee may impose a reasonable charge to cover the costs of inspection and preparation of such a certificate.

(d) New Construction. With respect to initial construction, all references in the Declaration to the Covenants Committee shall be deemed to mean the Declarant or the Initial Construction Committee designated by the Declarant pursuant to Section 9.2 to perform architectural review of initial construction, and such initial construction shall be subject only to such limitations as determined by the Declarant.

(e) Lots Containing Multifamily Buildings. Notwithstanding any other provision of this Declaration, Lots containing multifamily buildings are not subject to architectural review by the Association, the Board of Directors or the Covenants Committee, except as provided by the Supplementary Declaration for such Lot. However, new construction and any alterations thereafter on such Lots shall be subject to architectural review by the Declarant during the Development Period.

ARTICLE 10

INSURANCE

Section 10.1. Authority to Purchase; Notice.

(a) The Board of Directors shall have the power and responsibility on behalf of the Association to: (i) purchase insurance policies relating to the Common Area and the activities of the Association; (ii) adjust all claims arising under such policies; and (iii) sign and deliver releases upon payment of claims. The cost of all insurance policies purchased by the Board relating to the Common Area shall be a Common Expense, or a Limited Common Expense, as appropriate. The Board of Directors, the managing agent and the Declarant shall not be liable for failure to obtain any coverages required by this Article or for any loss or damage resulting from such failure: (i) if such failure is due to the unavailability of such coverages from reputable insurance companies; (ii) if such coverages are available only at demonstrably unreasonable cost; or (iii) if the Association's insurance professionals advise that the coverages required by Section 10.2(b)(2) are unnecessary. Exclusive authority to negotiate losses under policies purchased by or on

(e) The Declarant, so long as the Declarant shall own any lot, shall be protected by all such policies as an owner.

(d) The deductible or retained limit (if any) on any insurance policy purchased by the Board of Directors shall be a Common Expense (or a limited Common Expense, as appropriate); provided, however, that the Association may, pursuant to Sections 6.2(c) and 12.1(a), assess any deductible amount necessitated by the misuse or neglect of an Owner against the lot owned by such Owner.

(c) All policies of insurance shall be written by reputable companies licensed or qualified to do business in Virginia.

(3) Such policy may not be cancelled or substantially modified without at least thirty days prior written notice to the Board of Directors, the managing agent and the Mortgagees, except cancellation for non-payment of premium shall require only ten days notice.

(2) Such policy shall not be cancelled, invalidated or suspended due to the conduct of any Owner, or such Owner's tenant or such Owner's (or tenant's) household members, guests, employees, agents or invitees, or of any officer or employee of the Board of Directors or the managing agent 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; and

(1) The insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Board of Directors, the managing agent, any Owner or any member of an Owner's household;

(b) Each such policy shall provide that:
behalf of the Association shall be vested in the Board of Directors or its authorized representative. The Board of Directors shall promptly notify the Owners and Mortgagees of material adverse modifications, lapses or termination of, insurance coverages obtained on behalf of the Association.

Section 10.2. Physical Damage Insurance.

(a) The Board of Directors shall obtain and maintain a "Special Form" form policy of insurance including fire damage, vandalism, malicious mischief, sprinkler leakage (if applicable), cost of demolition, debris removal, and water damage) insuring any improvements located on the Common Area and covering the interests of the Association, in an amount equal to one hundred percent of the then current full insurable replacement cost of any improvements located on the Common Area (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined periodically by the Board with the assistance of the insurance company affording such coverage). The Board of Directors shall also obtain and maintain appropriate coverage on all personal property and real estate other than the Common Area owned by the Association.

(b) Each such policy shall also provide:

(1) a waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made not to do so;

(2) the following endorsements (or equivalent):
A) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any occupant or Owner or their agents when such act or neglect is not within the control of the insured or the Owners collectively, nor by any failure of the insured, or the Owners collectively, to comply with any warranty or condition with regard to any portion of the Property over which the insured, or the Owners collectively, have no control;
B) "cost of demolition"; C) "contingent liability from operation of building laws or codes"; D) "increased cost of construction" or "inflation guard"; E) "replacement cost" or a "guaranteed replacement cost"; and F) "agreed amount" or "elimination of co-insurance" clause;

(3) that any "no other insurance" clause expressly exclude individual Owners' policies from its operation so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual

Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by Owners or Mortgagees, unless otherwise required by law;

(4) such deductibles as to loss, but not co-insurance features, as the Board of Directors in its sole discretion deems prudent and economical; and

(5) to the extent a policy includes any dwelling located on any Lot, such policy includes the standard mortgagee clause.

(c) Certificates of physical damage insurance signed by an agent of the insurer, all renewals thereof, and any sub-policies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee requesting the same, at least ten days prior to any lapse, material modification or cancellation of the then current policy.

Section 10.3. Liability Insurance. The Board of Directors shall obtain and maintain commercial general liability (including libel, slander, false arrest and invasion of privacy coverage) and property damage liability insurance in such limits as the Board may from time to time determine, insuring the Association, each director, the managing agent, the Owners and the employees of the Association against any liability to the public or to any Owner or such Owner's tenant and such Owner's (or tenant's) household members, guests, employees, agents or invitees arising out of, or incident to the ownership or care, custody, control and use of the Common Area or legal liability arising out of employment contracts of the Association. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross-liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Association; (iv) deletion of the normal products exclusion with respect to events sponsored by the Association; and (v) a "severability of interest" endorsement

which shall preclude the insurer from denying liability coverage to an Owner because of negligent acts of the Association or of another Owner. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than two million dollars.

Section 10.4. Other Insurance. The Board of Directors shall obtain and maintain:

(a) adequate fidelity coverage to protect against dishonest acts on the part of directors, Officers, trustees and employees of the Association and all others who handle or are responsible for handling funds of the Association, including the managing agent and volunteers. If the Association has delegated some or all of the responsibility for handling funds to a managing agent, such managing agent shall be covered by its own fidelity insurance; however the Board may determine to purchase additional fidelity coverage for the managing agent as well. Such fidelity insurance (except for fidelity insurance obtained by the managing agent for its own personnel) shall: (i) name the Association as an obligee; (ii) be written in an amount not less than one-fourth the total Annual Assessment for Common Expenses or the amount required by the Mortgagees, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, 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;

(b) if required by a majority of the Mortgagees or governmental regulations, flood insurance in accordance with the then applicable regulations for such coverage;

(c) workers' compensation insurance if and to the extent necessary to meet the requirements of law (including a voluntary employees endorsement and an "all states" endorsement);

(d) if applicable, pressure, mechanical and electrical equipment including air conditioning equipment coverage on a comprehensive form in an amount not less than fifty thousand dollars per accident per location;

(e) directors and officers liability insurance in an amount not less than one million dollars; and

(f) such other insurance: (i) as the Board of Directors may determine; (ii) as may be required with respect to any portion of the Property by any Supplementary Declaration; or (iii) as may be requested from time to time by a Majority Vote of the Owners.

Section 10.5. Insurance on Lots. Each Owner of a Lot containing a townhouse structure shall maintain at such Owner's own expense an "all-risk" or "special" form policy of fire insurance with extended coverage in an amount equal to one hundred percent of the then current insurable replacement cost of any improvements located on such Owner's Lot. If the Board of Directors so requests, the Owner of such a Lot shall provide a certificate of insurance to the Board. If an Owner fails to obtain the insurance coverage required by this Article, the Board of Directors may purchase such insurance coverage on such Owner's behalf and assess the Lot owned by such Owner for the cost thereof pursuant to Subsections 6.2(c) and 12.1(b) hereof. Neither the Declarant, the Association nor the Board of Directors shall be held liable for the failure of any Owner to purchase insurance.

Each Owner shall have the right to obtain insurance for such Owner's benefit, at such Owner's expense, covering the improvements located on such Owners Lot and Owner's personal liability. No Owner shall acquire or maintain insurance coverage on the Common Area insured by the Association so as to: (i) decrease the amount which the Board of Directors may realize under any insurance policy maintained by the Board; or (ii) cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by an Owner. No Owner shall obtain separate insurance policies on the Common Area.

ARTICLE 11

RECONSTRUCTION AND REPAIRSection 11.1. When Required.

(a) Common Area. Except as otherwise provided herein, 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. 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. 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.

(b) 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.

Section 11.2. Condemnation

(a) Definitions. For the purposes of this Article, "Taking" means an acquisition of all or any part of the Common Area or of any interest therein or right accruing thereto as a

result of in lieu of or in anticipation of the exercise of the right of condemnation or eminent domain, or a change of grade caused by the action of a governmental entity affecting the value of the Common Area or any part thereof so severely as to amount to condemnation.

(b) Taking of Common Area. If there is a Taking of all or any part of the Common Area, then the Association shall notify the Owners, but the Board of Directors shall act on behalf of the Association in connection therewith and no Owner shall have any right to participate in the proceedings incident thereto. The award made for such Taking shall be payable to the Association, to be disbursed as follows. If the Taking involves a portion of the Common Area on which improvements have been constructed, then the Association shall restore or replace such improvements so taken on another portion of the Common Area, to the extent land is available therefor, in accordance with plans approved by the Board of Directors, unless within sixty days after such Taking the Declarant (during the Declarant Control Period) or the Owners by a Sixty-seven Percent Vote (after the Declarant Control Period) otherwise agree. The provisions of Article 11 regarding the disbursement of funds following damage or destruction shall apply.

ARTICLE 12

COMPLIANCE AND DEFAULT

Section 12.1. Enforcement Provisions.

(a) Compliance. Each Owner and such Owner's tenants and such Owner's (or tenant's) household members, guests, employees, agents or invitees, shall be governed by, and shall comply with, all of the terms of the Association Documents and the Rules and Regulations, as amended from time to time. A default by an Owner in complying with the Association Documents or the Rules and Regulations shall entitle the Association, acting through its Board of Directors or through the managing agent, to the following relief.

(b) Additional Liability. Each Owner shall be liable to the Association for any costs incurred by the Association and the expense of all Upkeep rendered necessary by such Owner's act or omission, or, in the case of an Owner of a Lot containing a single family dwelling or condominium unit, for the act or omission of such Owner's tenant and such Owner's (or tenant's) household members, guests, employees, agents or invitees, 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.

(c) Costs and Attorneys' 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 reasonable attorneys' fees, even if the proceeding is settled prior to judgment.

(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 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 thirty days, interest at a rate not to exceed that interest rate then charged by the Internal Revenue Service (or similar agency of the Federal Government) on delinquent taxes 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 a late charge levied pursuant to Section 6.5 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 dwelling) pursuant to Section 3.3, 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 initiated. Where appropriate, the Board of Directors shall follow the due process procedures set forth in Section 12.1(h) and (i).

(g) Legal Proceedings. Failure to comply with any of the terms of the Association Documents or the 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, shall have the power to impose charges and to suspend the right to vote in the Association (pursuant to Section 3.2 of the Bylaws) and the right to use the Common Area (other than for access or utilities) or other rights in the case of an Owner found to be responsible for a violation of the Association Documents or the Rules and Regulations; provided, however, that the Board or Committee may not deny an Owner use of the Common Area for ingress or egress to such Owner's Lot or for utility services. The Board or Committee may suspend the right of an Owner or other occupant, and the right of such Person's household members, tenants, guests or invitees to use 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. Before any such charges or suspension may be imposed, the Person charged with such a violation shall be given notice and an opportunity for a hearing as set forth in Section 12.1(i); provided, however, that voting rights and the right to use the Common Area (other than for access or utilities) may be suspended due to non-payment of Assessments without giving the Person charged with the violation notice and an opportunity for a hearing to the extent not prohibited by the POA Act or other law. 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. Imposition of a charge does not preclude the liability of an Owner for reimbursement to the Association of costs incurred by the Association as a result of such Owner's acts or omissions. The Board of Directors or Covenants Committee may determine to take

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certain other actions, including, without limitation, towing vehicles or performing Upkeep on a Lot pursuant to Sections 6.2 and 7.2 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 Section 12.1(h). 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 Section 12.1(h) 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 or 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 any Person deemed by the Board to have standing as an aggrieved party the right to appeal to the Board, and the Board may reconsider, review, modify or reverse any action taken by the Committee.

(4) Fairness. The Board of Directors and the Covenants Committee shall treat all Owners equitably, based upon decision-making procedures, standards and guidelines which, even if informal, shall be applied to all Owners consistently.

(j) 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.

Section 12.2. Lien for Assessments.

(a) Lien. In addition to any lien established by the POA ACT, the total Annual Assessment of each Owner for Common Expenses, including Limited Common Expenses, any Additional Assessment, any Individual Assessment or any other sum duly levied (including without limitation charges, interest, late charges, contractual charges, costs of collection, attorney's fees, etc.), made pursuant to the Association Documents, is hereby declared to be a lien 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 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. If an Assessment against an Owner is payable in installments, upon 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. If an Owner is delinquent in payment of Assessments for prior fiscal years, then the entire Assessment (otherwise payable in installments) shall be due and payable in full when assessed upon receipt of notice of such Assessment by the defaulting Owner.

(c) Enforcement. The lien for Assessments may be enforced and foreclosed in any manner permitted by the laws of Virginia or by an action in the name of the Board of Directors, or the managing agent, acting on behalf of the Association. Any foreclosure sale is to be conducted in accordance with the provisions of the POA Act, if any, or Title 55, Sections 55-59.1 et seq. of the Code of Virginia (1950), as amended, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted or provided by law. During the pendency of any such action to enforce the Association lien, the Owner shall be required to pay a reasonable rental for the Lot for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the law. 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, unless provided otherwise by the POA Act or other law.

(d) Remedies Cumulative. A suit to recover a money judgment for unpaid Assessments may be maintained without fore-

closing 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 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 nor shall such Person be personally liable for such Assessment; 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. Notwithstanding any other provisions of this Declaration, to the extent specifically permitted by Virginia statute in the future, the Association's lien shall prime a Mortgage to the extent of six-months worth of Assessments which would have become due (based on the budget adopted by the Association) in the absence of acceleration during the six months immediately preceding perfection of the lien.

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 and has requested all rights under the Association Documents.

Section 13.2. Notices to Mortgagees. Any holder of a Mortgage 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 consecutive days) or any other default, simultaneously with the notice sent to the defaulting Owner (failure to notify the Mortgagee shall not affect the validity of the Association's lien);

(2) Any event giving rise to a claim under the Association's physical damage insurance 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 or ten percent of the annual budget for Common Expenses or to any Lot insured by the Association upon which the Mortgagee holds a Mortgage;

(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 adverse modification in an insurance policy held by the Association;

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

(6) Any proposal to terminate this Declaration or dissolve the Association, at least thirty days before any action is taken to terminate or dissolve; and

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

Section 13.3. Other Rights of Mortgagees. Upon request, all Mortgagees or their authorized representatives shall have the right to receive notice of and to attend and to speak at meetings of the Association. All 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 existing annual financial reports and other budgetary information on the same terms as the Owners. A majority of the Mortgagees may make a request and shall be entitled to an audited financial statement for the preceding fiscal year of the Association prepared at the Association's expense and provided within a reasonable time. A Majority of the Mortgagees shall have the right to require the Association to hire a professional manager.

ARTICLE 14

AMENDMENT: EXTRAORDINARY ACTIONS

Section 14.1. Amendment by the Declarant. During the Development Period and subject to Sections 14.5 and 14.6, the Declarant may unilaterally, without the approval or joinder of the Association, or any Owner, Mortgagee or Secondary Mortgage Market Agency, amend any provision of this Declaration or any Supplementary Declaration from time to time to: (i) make non-material, clarifying or corrective changes not materially, adversely affecting any Owner's rights or obligations hereunder; (ii) satisfy the requirements of the Proffers or other governmental approvals or of any government, governmental agency, Secondary Mortgage Market 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 or boundary line adjustment of all or any part of the Property; (iv) depict the assignment of Limited Common Area as required by Section 3.8(b); and (v) withdraw Submitted Land in accordance with Section 4.2.

Section 14.2. Amendment by the Association.

(a) Owner Approval. Subject to Sections 14.3, 14.4, 14.5 and 14.6, the Association may amend this Declaration (not

including a Supplementary Declaration) only with at least a Sixty-seven Percent Vote of the Owners or with the written approval of Owners entitled to cast at least sixty-seven percent of the total number of votes.

(b) Certification. An amendment by the Association shall be 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 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. 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 inconsistent with the Declaration except as specifically provided by the Declarant in accordance with Section 4.1 hereof. 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 to Amendment. Written notice of any proposed amendment to this Declaration or any Supplementary Declaration by the Association shall be sent to every Owner (or every Owner of a Lot subject to such Supplementary Declaration) 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 without obtaining the approvals required by Subsections 14.4 (c) and (f). 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 the Mortgagees.

Section 14.4. Extraordinary Actions and Material Amendments. The provisions of this section shall not be construed to reduce the vote that must be obtained from Owners 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 to amend the Declaration or a Supplementary Declaration without the approval or joinder of the Association or any Owner or Mortgagee or Secondary Mortgage Market Agency. To the extent this section applies to amendments to a Supplementary Declaration, the approval of the Owners required shall be deemed to refer only to the Owners owning Lots subject to such Supplementary Declaration.

(a) Material Amendments. A material amendment to the Association Documents includes any amendment adding, deleting or amending any provisions regarding:

- (1) Assessment basis or Assessment liens;
- (2) any method of imposing or determining any charges to be levied against Owners;
- (3) reserves for maintenance, repair or replacement of the Common Area;
- (4) maintenance obligations;
- (5) allocation of rights to use the Common Area;
- (6) any scheme of regulation or enforcement of standards for maintenance, architectural design or exterior appearance of improvements;
- (7) reduction of insurance requirements;
- (8) restoration or repair of the Common Area or Lots;

- (9) the addition, annexation or withdrawal of land to or from the Property;
- (10) voting rights (except to reduce the Declarant's voting rights with the consent of the Declarant);
- (11) restrictions affecting lease or sale of a Lot; and
- (12) any provision which is for the express benefit of the Mortgagees.

(b) Extraordinary Actions. An extraordinary action of the Association includes:

(1) determining not to require professional management after the Declarant Control Period, if professional management has been required by the Association Documents, a Majority Vote of the Owners or a Majority Vote (or approval) of the Mortgagees;

(2) expanding the Association (i) so as to increase the overall land area of the Property described in Exhibit A by greater than ten percent in land area or increase the number of planned dwellings by greater than ten percent or (ii) by including land which is not adjacent to or across a public right-of-way or private street from the Property;

(3) abandoning, partitioning, encumbering, mortgaging, conveying, selling or otherwise transferring or relocating the boundaries of the Common Area except for:

(i) granting easements for utilities or other purposes to serve the Property or adjacent land which are not inconsistent with and which do not interfere with the intended use of such Common Area;

(ii) dedicating or conveying a portion of the Common Area to a public authority or a governmental entity;

(iii) making conveyances or resubdivisions as part of a boundary-line adjustment or otherwise pursuant to Section 2.2; and

(iv) conveyances to an entity formed for similar purposes pursuant to a consolidation or merger;

(4) using insurance proceeds for purposes other than repair and reconstruction of the insured improvements; and

(5) making capital improvements (other than for Upkeep of existing Common Area improvements) during any period of twelve consecutive months costing in excess of twenty percent in the aggregate of the total Annual Assessment for Common Expenses for the fiscal year.

(c) Owner Approval. Any material amendment or extraordinary action listed above must be approved: (i) in writing by Owners entitled to cast at least sixty-seven percent of the total number of votes entitled to be cast by Owners, including a majority of the votes entitled to be cast by Owners other than the Declarant during the Declarant Control Period; or (ii) by at least a Sixty-seven Percent Vote of the Owners, including a Majority Vote of Owners other than the Declarant during the Declarant Control Period, entitled to be cast at a meeting for approval of material amendments or extraordinary actions provided that: (A) at least twenty-five days notice of the meeting is provided to all Owners; (B) the notice of the meeting states the purpose of the meeting and contains a copy or summary of any material amendments or extraordinary actions proposed; and (C) the notice of the meeting also contains a copy of the proxy that can be cast in lieu of attendance at the meeting.

(d) Class Approval. Any material amendment which changes the rights of any specific Class of Owners, must also be approved in writing by Owners entitled to cast at least fifty-one percent of the total number of votes of such Owners or by at least a Fifty-One Percent Vote of such Owners at a meeting held in accordance with subsection (c) above.

(e) Additional Material Amendments and Extraordinary Actions. The following amendments and actions must be approved in writing by Owners entitled to cast at least sixty-seven percent of the total number of votes in the Association, including a majority of the total number of votes entitled to be cast by Owners other than the Declarant during the Declarant Control Period, and the Declarant during the Development Period:

(1) amendment or addition of any provisions of the Association Documents regarding rights of first refusal or similar restrictions on the right of Owners to sell, transfer or otherwise convey a unit;

(2) termination of the Declaration or of the planned unit development;

(3) dissolving, merging or consolidating the Association, except pursuant to a merger or consolidation with another nonprofit entity formed for purposes similar to the purposes for which the Association was formed; or

(4) conveyance of all the Common Area, except to an entity formed for similar purposes pursuant to a consolidation or a merger.

(f) Mortgagee Approvals. Any material amendment or extraordinary action listed in subparagraphs (a), (b) and (e) except item (b) (5) above must also be approved by Fifty-one Percent of the Mortgagees. If a Mortgagee is notified of proposed amendments or actions of the Association in writing by certified or registered United States mail, return receipt requested, and such Mortgagee does not deliver a negative response within thirty days, such Mortgagee shall be deemed for the purposes of this Declaration to have approved such amendment or action.

(g) Corrective Amendments. Any amendment to the Association Documents shall not be considered material if made only for the purposes of correcting technical errors or for clarification. Any amendment to the Association Documents adding provisions to or interpreting the application of provisions of the Declaration, contained in a Supplementary Declaration and

applied to a specific portion of the Property, shall not be considered a material amendment.

(h) 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: (i) the Declarant may not amend the description of Submitted Land except as provided in Section 4.1; and (ii) during the Declarant Control Period, the Association may not take any action described in Section 14.4(a), (b) or (e); 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 and FHA must be informed of all amendments to the Association Documents if such documents have been previously approved by such agency. This provision may be enforced only by FHA or VA.

(i) Contracts made by the Association during the Declarant Control Period. All Association contracts made during the Declarant Control Period which extend beyond the Declarant Control Period must meet at least one of the following criteria: (i) be for a term limited to two years or less; (ii) be terminable by the Association upon ninety days written notice; (iii) be commercially reasonable and made with an entity not affiliated with the Declarant; or (iv) be approved by VA.

Section 14.5. County Approval. A number of provisions are contained within this Declaration to comply with the Proffers or conditions of subdivision or zoning approval applicable to the Property. No Supplementary Declaration or amendment, including an amendment withdrawing land as provided in Section 4.2 or otherwise, shall impair the right and authority of the County to require compliance with the Proffers and subdivision or zoning approval conditions applicable to the Property without the prior written approval of the County. In addition, the Association shall not be dissolved, except pursuant to a consolidation or merger with an entity formed for similar purposes, or the Declaration terminated without the prior written approval of the County.

Section 14.6. Amendments Affecting Owners of Lots Containing Multifamily Buildings. No amendment to any provision

specifically addressing the rights and obligations of an Owner of a Lot containing a multifamily building shall be made without the approval of the Owners of a majority of such Lots.

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 and be in full force and effect in perpetuity except as amended as provided above or unless terminated as hereinafter provided. Subject to Sections 14.4 and 14.5, the Association may terminate this Declaration only with the approval of Owners entitled to cast at least sixty-seven percent of the total number of votes. The termination shall be 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 thirty 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 Property 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 Upkeep 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 the dissolution of the Association other than incident to a merger or consolidation, the assets of the Association shall be granted, conveyed and assigned to another nonprofit corporation,

association, trust or other organization or governmental agency devoted to purposes similar to those for which the Association was created or offered for dedication to the County; provided, however, that if a site plan is approved for the Property, or any portion thereof containing Common Area, which changes the design, layout or use of the Property in such a manner that the Common Area is no longer necessary to the new design, layout or use, then such Common Area and other associated assets of the Association may be distributed as agreed upon by the Owners in accordance with the requirements of Section 14.4.

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. 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 6.2(c) and 12.1(a).

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.

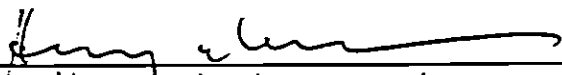
Section 16.6. Fences and Other Barriers. The provisions of this Article pertaining to party walls shall also govern any fence, other barrier or shared improvement originally installed by the Declarant or a Builder (except for fences or barriers installed in connection with construction activities) and 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.

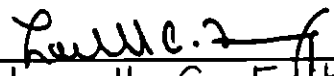
Section 16.8. Townhouse Maintenance Easement. If an Owner (including the Declarant) of any Lot must, in order to make repairs or improvements to a building on such Owner's Lot, enter or cross any area owned or to be owned by the Association, or a Lot of another Owner, such Owner is hereby granted an easement to do so, providing that the Owner shall use the most direct, feasible route in entering and crossing over such an area and shall restore the surface so entered or crossed to its original condition, at the expense of the Owner, and further provided that such easement shall not exist on the land of any other Owner if the purpose for the entrance or crossing is one requiring approval of either the Board of Directors or the Covenants Committee of the Association, unless such approval has been given.

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


FLYNN'S CROSSING REALTY CORPORATION
a Virginia corporation

By: 
Name: Henry A. Lambert
Title: PRESIDENT

RELIANCE INSURANCE COMPANY
a Pennsylvania corporation

By: 
Name: Lowell C. Fralberg
Title: SA V.P.

FLYNN'S CROSSING HOMEOWNERS ASSOCIATION
a Virginia nonstock corporation

By: 
Name: Michael E. McGuire
Title: VICE PRESIDENT

State OF New York)
County OF New York) SS:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Henry A Lambert, as President of FLYNN'S CROSSING REALTY 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 August 18, 1998.

Bonnie Bagley [SEAL]
Notary Public

BONNIE BAGLEY
Notary Public, State of New York
No. 24-5143355
Qualified in Kings County
Commission Expires 12/31/98

My commission expires: December 31, 1998

State OF New York)
County OF New York) SS:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Lowell C. Fraberg, as Sr. Vice President of RELIANCE INSURANCE COMPANY 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 August 18, 1998.

Bonnie Bagley [SEAL]
Notary Public

BONNIE BAGLEY
Notary Public, State of New York
No. 24-5143355
Qualified in Kings County
Commission Expires 12/31/98

My commission expires: December 31, 1998

State New York)
 OF New York)
County New York) SS:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Michael E. McGuire, as Vice President of FLYNN'S CROSSING HOMEOWNERS ASSOCIATION, 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 Association.

GIVEN under my hand and seal on August 18, 1998.

Bonnie Bagley [SEAL]
Notary Public

My commission expires: December 31, 1998

BONNIE BAGLEY
Notary Public, State of New York
No. 24-5143355
Qualified in Kings County
Commission Expires 12/31/98

Exhibit A
to the Declaration

DESCRIPTION OF SUBMITTED LAND
FLYNN'S CROSSING
MERCER ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA

PROPOSED PARCEL 32A

Being parts of two parcels of land located on Loudoun County Tax Map 79 Parcels 25 and 32 as acquired by Reliance Insurance Company by deed recorded in Deed Book 1238 at Page 1919 among the land records of Loudoun County, Virginia and also being more particularly described as follows:

Beginning at a point in the center of Shellhorn Road (Route 643), a prescriptive easement, said point being a common corner of Loudoun County Tax Map 79 Parcels 25, 32 and 52A, thence along the centerline of said road the following course:

THENCE S 36° 36' 55" E for a distance of 705.20' to a point, thence departing said road the following courses:

THENCE along a curve to the left having a radius of 624.00' and an arc length of 234.62', being subtended by a chord of N 70° 05' 38" W for a distance of 233.24' to a point,
THENCE N 73° 29' 19" W for a distance of 77.89' to a point,
THENCE N 80° 51' 54" W for a distance of 70.03' to a point,
THENCE along a curve to the right having a radius of 523.48' and an arc length of 715.36', being subtended by a chord of N 41° 43' 00" W for a distance of 660.98' to a point,
THENCE N 02° 34' 06" W for a distance of 247.51' to a point,
THENCE N 52° 14' 07" E for a distance of 56.93' to a point,
THENCE S 86° 26' 43" E for a distance of 500.89' to a point,
THENCE S 27° 29' 35" W for a distance of 328.14' to the POINT OF BEGINNING,
containing 8.0126 acres more or less.

TOGETHER WITH:

PROPOSED PARCEL 32B

Being a portion of that parcel located on Loudoun County Tax Map 79 Parcel 32 as acquired by Reliance Insurance Company by deed recorded in Deed Book 1238 at Page 1919 among the land records of Loudoun County, Virginia and also being more particularly described as follows:

Beginning at a point marking a common corner with Reliance Insurance Company and Horace L. and Muriel Potter (DB 455 PG 164), said point marking the southerly property line of Potter, thence along said line the following courses:

AREA A

THENCE N 81° 09' 26" E for a distance of 108.12' to a point,
 THENCE S 57° 13' 52" E for a distance of 94.94' to a point, thence departing said line the following courses;
 THENCE S 65° 25' 14" W for a distance of 561.20' to a point,
 THENCE N 02° 34' 06" W for a distance of 9.23' to a point,
 THENCE along a curve to the left having a radius of 650.00' and an arc length of 323.78', being subtended by a chord of N 16° 50' 19" W for a distance of 320.45' to a point,
 THENCE along a curve to the left having a radius of 459.00' and an arc length of 182.72', being subtended by a chord of N 42° 04' 46" W for a distance of 181.52' to a point,
 THENCE along a curve to the right having a radius of 491.00' and an arc length of 236.59', being subtended by a chord of N 39° 40' 47" W for a distance of 234.31' to a point,
 THENCE along a curve to the right having a radius of 540.00' and an arc length of 244.07', being subtended by a chord of N 12° 55' 39" W for a distance of 241.99' to a point,
 THENCE along a curve to the right having a radius of 25.00' and an arc length of 40.69', being subtended by a chord of N 46° 38' 46" E for a distance of 36.34' to a point,
 THENCE S 86° 43' 43" E for a distance of 444.28' to a point,
 THENCE N 03° 16' 17" E for a distance of 10.00' to a point,
 THENCE S 86° 43' 43" E for a distance of 312.16' to a point on the westerly property line of Horace L. and Muriel Potter, thence along said line the following course;
 THENCE S 03° 51' 56" W for a distance of 591.75' to the POINT OF BEGINNING, containing 10.7505 acres more or less.

TOGETHER WITH:

AREA B

Beginning at a point on the centerline of Shellhorn Road Route 643, being a 30 foot prescriptive easement, said point being on the easterly line of Ralph G. and Wanda L. Louk (DB 1309 PG 1428), thence departing said line the following courses:

THENCE along a curve to the right having a radius of 1310.45' and an arc length of 88.58', being subtended by a chord of S 88° 39' 54" E for a distance of 88.56' to a point,

THENCE S 86° 43' 43" E for a distance of 80.17' to a point,

THENCE along a curve to the right having a radius of 25.00' and an arc length of 37.92', being subtended by a chord of S 43° 16' 21" E for a distance of 34.39' to a point,

THENCE along a curve to the left having a radius of 610.00' and an arc length of 277.44', being subtended by a chord of S 12° 50' 45" E for a distance of 275.06' to a point,

THENCE along a curve to the left having a radius of 659.00' and an arc length of 234.08', being subtended by a chord of S 36° 03' 06" E for a distance of 232.85' to a point,

THENCE along a curve to the right having a radius of 556.00' and an arc length of 148.63', being subtended by a chord of S 38° 34' 09" E for a distance of 148.19' to a point,

THENCE S 30° 54' 39" E for a distance of 39.26' to a point,

THENCE along a curve to the right having a radius of 550.00' and an arc length of 26.75', being subtended by a chord of S 29° 31' 03" E for a distance of 26.75' to a point,

THENCE S 16° 12' 50" E for a distance of 48.41' to a point on the centerline of Shellhorn Road, thence along said centerline the following courses:

THENCE N 36° 34' 56" W for a distance of 75.21' to a point,

THENCE N 36° 50' 23" W for a distance of 808.57' to the POINT OF BEGINNING, containing 0.8634 acres more or less.

AREA A = 10.7505 Acres more or less
AREA B = 0.8634 Acres more or less
 TOTAL = 11.6139 Acres more or less

TOGETHER WITH:

PROPOSED PARCEL 32C

Being a portion of that same parcel located on Loudoun County Tax Map 79 Parcel 32 as acquired by Reliance Insurance Company by deed recorded in Deed Book 1238 at Page 1919 among the land records of Loudoun County, Virginia and also being more particularly described as follows:

Beginning at a point common to Reliance Insurance Company and The Regency Section 4 Parcel "I" (DB 1484 PG 765), said point also being on the southerly line of Horace L. and Muriel Potter (DB 455 PG 164), thence departing the Potter property along the common line of Reliance Insurance Company and The Regency Section 4 Parcel "I" the following course:

THENCE S 27° 29' 35" W for a distance of 257.48' to a point, thence departing said line the following courses:

THENCE N 86° 26' 43" W for a distance of 598.50' to a point,

THENCE N 41° 32' 36" W for a distance of 57.55' to a point,

THENCE N 02° 34' 06" W for a distance of 74.07' to a point,

THENCE N 65° 25' 14" E for a distance of 561.20' to a point on the southerly property line of Horace L. and Muriel Potter (DB 455 PG 164), thence along said line the following course:

THENCE S 57° 13' 52" E for a distance of 294.16' to the POINT OF BEGINNING, containing 4.2965 acres more or less.

RECORDED/INDEXED ANNEXED

98 AUG 21 PM 3:50

94

TESTED OFFICIAL CLERK

BYLAWS

FOR

FLYNN'S CROSSING HOMEOWNERS ASSOCIATION

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PROXY
ASSOCIATION DISCLOSURE PACKAGE

EXHIBIT A
EXHIBIT B

FLYNN'S CROSSING HOMEOWNERS ASSOCIATION, INC.
UNANIMOUS WRITTEN CONSENT
IN LIEU OF ORGANIZATIONAL MEETING
OF THE BOARD OF DIRECTORS

This Written Consent in Lieu of the Organizational Meeting for the Board of Directors of Flynn's Crossing Homeowners Association, Inc. (the "Association"), a nonstock corporation formed pursuant to the Virginia Nonstock Corporation Act, Chapter 10 of Title 13.1 of the Code of Virginia (1950), as amended ("Act"), is made effective as of the date set forth below. The undersigned, being all of the directors of the Association do hereby: (i) waive all notice of the Organizational Meeting for the Board of Directors pursuant to the laws of the Commonwealth of Virginia; (ii) authorize the conduct of the meeting by written consent; and (iii) consent to the actions of the directors contained herein, pursuant to Section 13.1-865 of the Act.

1. Adoption of Bylaws.

WHEREAS, the Articles of Incorporation have been filed with the Commonwealth of Virginia State Corporation Commission and accepted for record effective _____, 19__; and

WHEREAS, the directors wish to ratify and approve the Bylaws which have been prepared on behalf of the Association.

THEREFORE, BE IT

RESOLVED, That the Bylaws submitted to and read by the Board of Directors shall be and hereby are adopted as the Bylaws of the Association.

FURTHER RESOLVED, That a copy of the Bylaws shall be inserted into the minute book of the Association.

2. Election of Officers.

WHEREAS, the directors named in the Articles of Incorporation wish to provide for the transaction of business by the Association;

WHEREAS, Section 6.2 of the Bylaws states that the Officers shall be elected annually by the Board of Directors; and

WHEREAS, the directors desire to elect a President, Vice-President and Secretary-Treasurer to sign documents to initiate the Association's operations and to supervise the Association's internal affairs.

THEREFORE, BE IT

RESOLVED, That Michael E. McGuire, Stephen R. Stahl and Katherine E. Spielman shall be and hereby are elected by the directors to serve as the President, Vice President and Secretary-Treasurer, respectively, of the Association for the ensuing fiscal year, to act and serve in such capacities until their successors shall be elected and qualified.

FURTHER RESOLVED, That the Officers of the Association are hereby authorized and directed to open bank accounts with such depositories (the accounts of which are insured by an agency of the United States of America) as they may choose, in their discretion, to conduct the financial affairs of the Association.

FURTHER RESOLVED, That the Officers of the Association, in their respective capacities, are authorized and empowered to do any and all duties necessary to set up, begin and make effective the general operation of the business of the Association, without the necessity for prior approval of the directors.

FURTHER RESOLVED, That the following persons be and hereby are authorized to sign checks and other instruments of withdrawal from any account in the aforesaid financial institutions in the name of and on behalf of the Association:

Michael E. McGuire
Stephen R. Stahl
Katherine E. Spielman

FURTHER RESOLVED, that all legal actions taken or authorized by the Officers in their capacities as Officers individually and collectively since the date of incorporation are hereby approved and ratified to the extent evidenced by appropriate minutes or otherwise disclosed to the directors of the Association.

3. Development Easements.

WHEREAS, Section 4.1 of the Bylaws states that the Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not required by the Act or the Association Documents to be exercised and done by the Owners;

WHEREAS, Section 4.1 of the Bylaws and Section 2.3 of the Declaration for Flynn's Crossing ("Declaration") provide that the Board of Directors may grant easements across the Common Area subject to the limitations in Section 14.4 of the Declaration;

WHEREAS, Section 14.4 of the Declaration does not require approval of the Owners or Mortgagees to grant easements for utilities or other purposes not inconsistent with the intended use of the Common Area;

WHEREAS, during the development of the Flynn's Crossing community, many easements across the Common Area for development purposes (including, without limitations, utilities, trails, sidewalks and stormwater management) or similar purposes will be required; and

WHEREAS, it is impractical for the Board of Directors to review each separate easement and the Board of Directors wishes to delegate to the President and Vice President the duty of reviewing such

easements and the power to approve, sign and deliver such easements on behalf of the Association.

NOW, THEREFORE, BE IT

RESOLVED, that the President or Vice President, and if necessary the Secretary (as a co-signer), are hereby authorized to approve, sign and deliver any deed of easement for public utilities or other purposes not inconsistent with the intended use of the Common Area or any instrument terminating an easement across the Common Area in the name of and on behalf of the Association as the President or Vice President determines (in such Officer's sole and exclusive judgment) to be necessary, appropriate and consistent with the provisions of the Declaration. Such determination to be evidenced conclusively by execution and delivery of any document reflecting that determination without the need of further approval by the Board of Directors.

FURTHER RESOLVED, that any deeds of easement for public utilities or other purposes not inconsistent with the intended use of the Common Area or any instrument terminating an easement signed by the President or Vice President prior to the effective date hereof are hereby ratified and confirmed, it being expressly acknowledged that the President or Vice President of the Association has the discretionary power to sign such deeds of easement if otherwise consistent with the provisions of the Declaration.

4. Registered Agent.

WHEREAS, the location of the registered office of the Association and the name of the registered agent of the Association have been set forth in the Articles of Incorporation.

THEREFORE, BE IT

RESOLVED, That the registered office of the Association shall be located at 3110 Fairview Park Drive, Suite 1400, in Fairfax County, Virginia with a mailing address of Post Office Box 12001, Falls Church, Virginia 22042 and the registered agent of the Association shall be Robert M. Diamond, all as so stated in the Articles of Incorporation.

FURTHER RESOLVED, That the registered agent shall act under the direction and supervision of the legal counsel of this Association in all matters arising out of or pertaining to the agency.

5. Appointment of Covenants Committee.

WHEREAS, Section 4.1 of the Bylaws assigns to the Board of Directors all of the powers and duties necessary for the administration of the affairs of the Association and further states that the Board may do all such acts and things as are not required by the Act or the Association Documents to be exercised and done by the Owners;

WHEREAS, Section 7.1 of the Bylaws and Article 9 of the Declaration provides that the Board of Directors shall establish a Covenants Committee and that the Declarant shall appoint the members of the Initial Construction Committee during the Development Period; and

WHEREAS, the Board of Directors wishes to appoint the persons selected by the Declarant to serve as members of the Initial Construction Committee to also serve on the Covenants Committee.

THEREFORE, BE IT

RESOLVED, That **Michael E. McGuire, Stephen R. Stahl and Katherine E. Spielman** shall be and hereby are appointed to serve as members of the Covenants Committee for terms of three years each.

There being no further business to be taken by the undersigned directors, the directors of the Association make this consent effective as of the date set forth below and deliver this consent to the Association at its principal place of business and direct that it be filed in the appropriate records of the Association.

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

Effective Date: _____, 19__

Date of Signature:

Directors:

_____, 19__

Michael E. McGuire, Director

_____, 19__

Stephen R. Stahl, Director

_____, 19__

Katherine E. Spielman, Director

FLYNN'S CROSSING HOMEOWNERS ASSOCIATION, INC.
UNANIMOUS WRITTEN CONSENT
IN LIEU OF ORGANIZATIONAL MEETING
OF THE BOARD OF DIRECTORS

This Written Consent in Lieu of the Organizational Meeting for the Board of Directors of Flynn's Crossing Homeowners Association, Inc. (the "Association"), a nonstock corporation formed pursuant to the Virginia Nonstock Corporation Act, Chapter 10 of Title 13.1 of the Code of Virginia (1950), as amended ("Act"), is made effective as of the date set forth below. The undersigned, being all of the directors of the Association do hereby: (i) waive all notice of the Organizational Meeting for the Board of Directors pursuant to the laws of the Commonwealth of Virginia; (ii) authorize the conduct of the meeting by written consent; and (iii) consent to the actions of the directors contained herein, pursuant to Section 13.1-865 of the Act.

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WHEREAS, the directors wish to ratify and approve the Bylaws which have been prepared on behalf of the Association.

THEREFORE, BE IT

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FURTHER RESOLVED, That a copy of the Bylaws shall be inserted into the minute book of the Association.

2. Election of Officers.

WHEREAS, the directors named in the Articles of Incorporation wish to provide for the transaction of business by the Association;

WHEREAS, Section 6.2 of the Bylaws states that the Officers shall be elected annually by the Board of Directors; and

WHEREAS, the directors desire to elect a President, Vice-President and Secretary-Treasurer to sign documents to initiate the Association's operations and to supervise the Association's internal affairs.

THEREFORE, BE IT

RESOLVED, That Michael E. McGuire, Stephen R. Stahl and Deborah Carlson shall be and hereby are elected by the directors to serve as the President, Vice President and Secretary-Treasurer, respectively, of the Association for the ensuing fiscal year, to act and serve in such capacities until their successors shall be elected and qualified.

FURTHER RESOLVED, That the Officers of the Association are hereby authorized and directed to open bank accounts with such depositories (the accounts of which are insured by an agency of the United States of America) as they may choose, in

their discretion, to conduct the financial affairs of the Association.

FURTHER RESOLVED, That the Officers of the Association, in their respective capacities, are authorized and empowered to do any and all duties necessary to set up, begin and make effective the general operation of the business of the Association, without the necessity for prior approval of the directors.

FURTHER RESOLVED, That the following persons be and hereby are authorized to sign checks and other instruments of withdrawal from any account in the aforesaid financial institutions in the name of and on behalf of the Association:

Michael E. McGuire
Stephen R. Stahl
Deborah Carlson

1.

FURTHER RESOLVED, that all legal actions taken or authorized by the Officers in their capacities as Officers individually and collectively since the date of incorporation are hereby approved and ratified to the extent evidenced by appropriate minutes or otherwise disclosed to the directors of the Association.

3. Development Easements.

WHEREAS, Section 4.1 of the Bylaws states that the Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not required by the Act or the Association Documents to be exercised and done by the Owners;

WHEREAS, Section 4.1 of the Bylaws and Section 2.3 of the Declaration for Flynn's Crossing ("Declaration") provide that the

Board of Directors may grant easements across the Common Area subject to the limitations in Section 14.4 of the Declaration;

WHEREAS, Section 14.4 of the Declaration does not require approval of the Owners or Mortgagees to grant easements for utilities or other purposes not inconsistent with the intended use of the Common Area;

WHEREAS, during the development of the Flynn's Crossing community, many easements across the Common Area for development purposes (including, without limitations, utilities, trails, sidewalks and stormwater management) or similar purposes will be required; and

WHEREAS, it is impractical for the Board of Directors to review each separate easement and the Board of Directors wishes to delegate to the President and Vice President the duty of reviewing such easements and the power to approve, sign and deliver such easements on behalf of the Association.

NOW, THEREFORE, BE IT

RESOLVED, that the President or Vice President, and if necessary the Secretary (as a co-signer), are hereby authorized to approve, sign and deliver any deed of easement for public utilities or other purposes not inconsistent with the intended use of the Common Area or any instrument terminating an easement across the Common Area in the name of and on behalf of the Association as the President or Vice President determines (in such Officer's sole and exclusive judgment) to be necessary, appropriate and

consistent with the provisions of the Declaration. Such determination to be evidenced conclusively by execution and delivery of any document reflecting that determination without the need of further approval by the Board of Directors.

FURTHER RESOLVED, that any deeds of easement for public utilities or other purposes not inconsistent with the intended use of the Common Area or any instrument terminating an easement signed by the President or Vice President prior to the effective date hereof are hereby ratified and confirmed, it being expressly acknowledged that the President or Vice President of the Association has the discretionary power to sign such deeds of easement if otherwise consistent with the provisions of the Declaration.

4. Registered Agent.

WHEREAS, the location of the registered office of the Association and the name of the registered agent of the Association have been set forth in the Articles of Incorporation.

THEREFORE, BE IT

RESOLVED, That the registered office of the Association shall be located at 3110 Fairview Park Drive, Suite 1400, in Fairfax County, Virginia with a mailing address of Post Office Box 12001, Falls Church, Virginia 22042 and the registered agent of the Association shall be Robert M. Diamond, all as so stated in the Articles of Incorporation.

FURTHER RESOLVED, That the registered agent shall act under the direction and supervision of the legal counsel of this Association in all matters arising out of or pertaining to the agency.

5. Appointment of Covenants Committee.

WHEREAS, Section 4.1 of the Bylaws assigns to the Board of Directors all of the powers and duties necessary for the administration of the affairs of the Association and further states that the Board may do all such acts and things as are not required by the Act or the Association Documents to be exercised and done by the Owners;

WHEREAS, Section 7.1 of the Bylaws and Article 9 of the Declaration provides that the Board of Directors shall establish a Covenants Committee and that the Declarant shall appoint the members of the Initial Construction Committee during the Development Period; and

WHEREAS, the Board of Directors wishes to appoint the persons selected by the Declarant to serve as members of the Initial Construction Committee to also serve on the Covenants Committee.

THEREFORE, BE IT

RESOLVED, That Michael E. McGuire, Stephen R. Stahl and Deborah Carlson shall be and hereby are appointed to serve as members of the Covenants Committee for terms of three years each.

There being no further business to be taken by the undersigned directors, the directors of the Association make this consent effective as of the date set forth below and deliver this consent to the Association at its principal place of business and direct that it be filed in the appropriate records of the Association.

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

Effective Date: _____, 19__

Date of Signature:

Directors:

_____, 19__

Michael E. McGuire, Director

_____, 19__

Stephen R. Stahl, Director

_____, 19__

Deborah Carlson, Director

CLIENT/MATTER NAME: RELIANCE/HAO-FEE

CLIENT/MATTER NUMBER: 17984/001

FILENAME: J:\DATA\CLIENT\17\17984\ORGMIN.UWC

ATTORNEY: R. DIAMOND

DOCUMENT TITLE: ORG MIN

FILE SERVER: FX2

PLEASE KEEP THIS SHEET WITH THE DOCUMENT FOR ALL FURTHER REVISIONS.
THANK YOU.

REVISION INFORMATION: 03/12/97 03:40PM FX2 DRAINER
01/13/98 09:31AM FX2 PMEDCALF

February 4, 1997

**RYAN PARK CENTER
REZONING NO. ZMAP 1995-0010
CONCEPT PLAN AMENDMENT NO. ZCPA 1995-0005**

PROFFER STATEMENT

Reliance Insurance Company, a Commonwealth of Pennsylvania corporation (the "Applicant"), the Owner of approximately 92 acres of real property, more particularly described as Loudoun County Tax Map 79, Parcels 25 and 32 (the "Property"), and the Applicant for the above-referenced rezoning and concept plan amendment, on behalf of itself and its successors in interest, hereby voluntarily proffers pursuant to Section 15.1-491(a) of the Code of Virginia (1950), as amended, that in the event the Board of Supervisors of Loudoun County (hereinafter referred to as "the County") rezones to the Planned Development - Commercial Center - Small Regional Center ("PD-CC-SC") District approximately thirty-four (34) acres of the Property and approves the July 5, 1996 Proposed Concept Development Plan as revised through December 12, 1996, as further described in these proffers, development of the Property shall be in substantial conformity with the following conditions. These proffer conditions are the only conditions offered on this rezoning and concept plan amendment and any prior proffers concerning the Property are hereby declared void and of no effect. These proffers shall become effective only upon final approval of the rezoning and concept plan amendment applications submitted by the Applicant, as amended.

L LAND USE DEVELOPMENT PLAN:

The development of the Property shall be in substantial conformity with the July 5, 1996 Proposed Concept Development Plan (the "Concept Plan") as revised December 12, 1996, prepared by Dewberry & Davis and incorporated herein by reference as "Exhibit A". The Concept Plan shall control the general development, layout and configuration of the Property with reasonable allowances consistent with the Zoning Ordinance to accommodate engineering constraints and to provide site design flexibility at time of subdivision and/or site plan approval. Maximum FAR densities for each non-residential land bay shall be as set forth on the Concept Plan. Total FAR density for all non-residential development on the Property shall not exceed 0.4. Land Bays "G" and "H" depicted on the Concept Plan shall each have an FAR ascribed to them of 0.4; however, with the exception of stormwater facilities, they shall not be developed unless they are first combined with other lands north of Route 772, relocated.

At time of each application for preliminary subdivision or preliminary site plan approval for portions of the Property the Applicant shall depict the major on-site road network connected with such application, and such road layout will substantially comply with the design guidelines of the County's Choices and Changes General Plan.

No zoning permits for residential development beyond the level permitted in Section IX.B.1. of these Proffers, shall be issued to the Applicant until such time as the Applicant has been issued zoning permits for and begun, or completed, the construction of at least 75,000 square feet of non-residential construction or has been issued a building permit for, and begun, or completed, the construction of the hotel on Parcel A of the Concept Plan.

No more than 350 market rate dwelling units will be developed on the Property. No more than 230 market rate dwelling units developed on the Property may be single-family attached units. The remainder of the market rate dwelling units developed on the Property will be multi-family units.

Right of way for all public roads proposed on-site will be dedicated at no cost to the County and/or the Virginia Department of Transportation ("VDOT") at the time such dedication is requested by either the County and/or the VDOT or at the time of record plat approval, whichever is first in time. Full access to the Property from Relocated Route 772 in the approximate location shown on the Concept Plan as right-in and right-out access may be utilized until the road improvements described below in Proffer IX.B.4 are constructed at which time the Applicant will construct a barrier on Relocated Route 772 which will restrict vehicle movements from the Property to Relocated Route 772 to right-out only and prevent left turn and "U"-turn movements at the Route 643 intersection. Right-in/right-out access to the Property from Relocated Route 643 shall be permissible in the approximate locations shown on the Concept Plan until such time as traffic utilizing the right-out movement from the Property to Relocated Route 643 results in a level of service less than "D", at which time the Applicant will install directional signage which will prohibit left turn and "U"-turn movements on Relocated Route 643 by vehicles utilizing the right-out access.

II. PARKING STANDARDS:

Minimum parking ratios on the Property shall be as follows:

- office use - one space per 275 net square feet;
- retail use - one space per 187.50 net square feet;
- residential use - 2.0 spaces per unit.

III. WATER AND SEWER:

The Property shall be served by public water and sewer systems. All water and sewer line extensions and connections to the Property shall be provided at no expense to Loudoun County or to the Loudoun County Sanitation Authority.

IV. STORMWATER MANAGEMENT:

The Applicant shall provide a "Preliminary Overall Stormwater Management Plan" for the entire Property to be approved by the County concurrently with the first preliminary subdivision or site plan for all or any portion of the Property, whichever is first in time. Construction plans for stormwater management facilities in each watershed shall be submitted concurrently with the first final site plan or first record subdivision plat, whichever is first in time, within the affected watershed. The required stormwater management facilities shall be bonded for construction at the time of first record plat or first final site plan, whichever is first in time, within an affected drainage shed.

In order to improve the quality of stormwater runoff from the Property, the Applicant shall incorporate water quality measures into stormwater management facilities constructed on the Property. The Applicant shall employ Best Management Practice (BMP) techniques designed to improve stormwater quality in accordance with the Loudoun County Facilities Standards Manual. BMP facilities may include extended detention ponds, retention ponds, swales, filter strips, basin landscaping, urban forestry, shallow marsh creation, as well as other techniques.

V. WETLANDS IDENTIFICATION:

The Applicant shall field delineate the location of wetlands on the Property, in accordance with the methodology outlined in the Federal Manual for Identifying and Delineating Jurisdictional Wetlands (U.S. COE, U.S. EPA, U.S. FWS, and U.S. SCS, and revisions thereto). The Applicant shall comply with the Clean Water Act, Section 404 Permit Program (PL92-500), and demonstrate compliance to Loudoun County prior to or concurrently with submittal of construction plans and profiles. Copies of any permits pertaining to wetlands shall be submitted to the County.

VI. NOISE ATTENUATION/NOTIFICATION:

A. Airport Noise

The Applicant shall abide by the provisions of Section 4-1404(A) of the Loudoun County Zoning Ordinance relative to giving notice to purchasers of residential property lying within one mile of the 60 Ldn noise contour officially adopted by Loudoun County.

B. Highway Noise

The Applicant shall attenuate the highway noise from relocated Route 772 by observing a setback for residential building construction on Land Bays I and E of no less than seventy-five feet (75') from the edge of the right-of-way.

VII. CAPITAL FACILITIES CONTRIBUTION:

The Applicant will provide, at the time of issuance of each zoning permit for a market rate residential unit, a one-time cash contribution in the amount of ONE THOUSAND FIVE HUNDRED SIX DOLLARS AND TWENTY-FIVE CENTS (\$1,506.25) per multi-family residential

unit and TWO THOUSAND THREE HUNDRED SEVEN DOLLARS AND FIFTY CENTS (\$2,307.50) per single family attached residential unit, to be used at the County's discretion, for Capital Facilities Improvements. Such sum shall be in 1994 dollars, which shall escalate annually from January 10, 1995, in accordance with the Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor.

VIII. FIRE AND RESCUE SERVICES:

A. Non-Residential initial and Annual Contributions

Concurrently with issuance of zoning permits for development of any non-residential portion of the Property, the Applicant, its successors or assigns, shall make a one-time, initial contribution to the County of five cents (\$0.05) per FAR square foot of approved building area on the Property which is the subject of the permit for the servicing fire and rescue companies. Annually thereafter the Lot Owners' Association provided for in Section XII, hereinbelow, will contribute directly to the volunteer fire and rescue companies who provide first call service to the Property five cents (\$0.05) per FAR square foot of non-residential building area. The amount of said initial and annual contributions shall be divided equally between the primary servicing fire and rescue companies and shall be increased on a yearly basis starting January 10, 1995, and changing effective each January 10 thereafter based on the corresponding increase in the United States Department of Labor Consumer Price Index until such contribution has been paid.

Notwithstanding the above, at such time as the first zoning permit is issued on the Property for the development of a habitable portion of a non-residential building in excess of 45 feet in height, the Applicant shall contribute a total lump sum of TWELVE THOUSAND FIVE HUNDRED

DOLLARS (\$12,500.00) to the County for purposes of payment toward the purchase of aerial or similar equipment to be owned by a fire or rescue company with primary responsibility to service the Property. The amount of such contribution shall be increased on a yearly basis starting from January 10, 1995, and changing effective each January 10 thereafter based on the corresponding increase in the United States Department of Labor Consumer Price Index until such contribution has been paid.

B. Residential Initial and Annual Contributions

The Applicant, its successors or assigns, shall pay an initial sum of SIXTY DOLLARS (\$60.00) per residential unit at the time of the issuance of zoning permits, to the County, for distribution to the fire company and the rescue company servicing the subject Property. Annually thereafter the Homeowners' Association provided for in Section XL, hereinbelow, shall pay the sum of SIXTY DOLLARS (\$60.00) per residential unit directly to the fire and rescue companies with primary responsibility to service the Property. Said initial and annual sums shall be divided equally between said fire and rescue companies and shall be increased on a yearly basis starting from January 10, 1995, changing effective each January 10 thereafter based on the corresponding increase in the United States Department of Labor Consumer Price Index until such contribution has been paid.

C. Cessation of Contribution

The obligations set forth in Paragraph VIII.A. and B., above, shall continue so long as the fire and rescue companies serving the Property are predominantly volunteer (i.e., less than 75 percent of the annual operational budget is funded by the County). In the event the volunteer fire and rescue companies serving the Property shall cease to be predominantly volunteer, as set forth above, the obligations to make such donation shall terminate, provided that the capital contribution in the initial sum of TWELVE THOUSAND FIVE HUNDRED DOLLARS (\$12,500.00) toward

aerial or similar equipment shall be made regardless of the status of the servicing companies as volunteer or non-volunteer.

D. Sprinkler System

Each habitable building constructed on that portion of the Property which is zoned for non-residential use will be provided with a fire protection sprinkler system.

IX. TRANSPORTATION:

A. On-Site Roadway

The Applicant shall construct, or cause to be constructed, in accordance with reasonable VDOT standards, all on-site roadways shown on the Concept Plan that are required to be constructed by the Applicant, provided that at the time Land Bays designated "I" and "E" on Exhibit A (Concept Plan) are developed, any roadways thereon that are private shall be constructed in conformance with Section 4.380 (Private Street Standards) of the Loudoun County Facilities Standards Manual. For purposes of this Section, the term "on-site roadways" shall mean any roadway link that is totally contained within the legal boundaries of the Property, including thereby, sections of Routes 772, relocated, and 643, relocated, and such other "Public Roads" as are depicted on the Concept Plan.

B. Phase Schedule - Coordination with Transportation Links

The Applicant shall construct, or bond for construction, the on-site roadway links described below and depicted on Exhibits B-1 through B-3 in order to support the on-site development recited on each such Exhibit. Alterations by the Applicant to the roadway linkages depicted on the Concept Plan and on Exhibits B-1 through B-3 shall be made only where the

Applicant demonstrates to the satisfaction of the Zoning Administrator, which approval shall not be unreasonably withheld, that such alteration is generally consistent with the general location of the roadways illustrated on Exhibits A through B-3 and permits an equivalent road capacity, measured as Average Daily Trips (ADTs), to that proposed by the Exhibit which the Applicant proposes to change.

1. Residential Development Up to 318 Dwelling Units. Subject to other legally imposed County requirements, zoning permits shall be issued for up to the first 318 units of residential development on Land Bay I, as shown on the Concept Plan, only after the Applicant first constructs, or bonds for construction, existing Route 625 improved across the frontage of the subject Property by the addition of such turn lanes as are reasonably required by VDOT, generally as shown on Exhibits B-1 and C, attached hereto and made a part hereof, provides an access to Parcel I on Route 643 and improves the portion of Route 643 from Route 625 to said access point to a two-lane paved section in accordance with reasonable VDOT standards; and improves the intersection at Route 643 and Route 625 just to the east of the main Ryan intersection, generally as depicted on Exhibit C to meet reasonable VDOT standards.

2. All Residential Development and Non-Residential Development of Up to 2000 FAR Square Feet of Service Station Uses and a 150 Room Hotel. Subject to other legally imposed County requirements, zoning permits may be issued for all permissible dwelling units and all affordable dwelling units on Land Bays I and E of the Property, up to 2000 FAR square feet of service station uses and up to 150 hotel rooms on Land Bay A, as shown on the Concept Plan, only after the Applicant first constructs, or bonds for construction, the improvements described above in Proffer IX.B.1., and constructs, or bonds for construction on abutting portions of the Property as

development progresses, a two lane half section of a four-lane divided portion of Relocated Route 643 from Route 625 across Parcels E and I to the first entry to Parcel E from Relocated Route 643, as well as a two lane section of a four-lane divided portion of Relocated Route 772 from Relocated Route 643 to the end of the Dulles Greenway ramps to meet reasonable VDOT standards as generally shown on Exhibit B-1A attached hereto.

3. All Residential Development and Non-Residential Development of 2000 FAR Square Feet of Service Station Uses, a 150 Room Hotel, and up to 150,000 Gross Square Feet of PD-CC-SC Uses. Subject to other legally imposed County requirements, zoning permits shall be issued for all permissible dwelling units and all affordable dwelling units on Parcels I and E of the Property, and for up to 2000 FAR square feet of service station uses, a 150 room hotel and up to 150,000 gross square feet of PD-CC-SC uses only after the Applicant constructs or bonds for construction, the improvements described above in Proffers IX.B.1 and 2 and a four-lane divided section of Relocated Route 772 from the end of the Dulles Greenway ramps to Relocated Route 643. In the alternative, the same amount of development may be constructed on the Property if, in lieu of constructing the above-described four lane section of Relocated Route 772, the Applicant constructs or bonds for construction, two lanes of a four-lane divided portion of Relocated Route 772 from the end of the Dulles Greenway ramps to Route 625 over the portion of the Property shown on the Concept Plan and over the lands of others as generally shown on Exhibit B-2 attached hereto. So long as the necessary right-of-way from Route 643 to 640 and all necessary construction and utility easements for such construction are available at no cost to the Applicant, and so long as funding for construction of a two lane section of Relocated Route 772 from Route 625 to Route 640 is provided by VDOT, by state gas tax funds, or by others within three (3) years from the date of approval of

ZMAP 1995-0010, the County may require the Applicant to construct at this stage of development the longer two-lane section of Relocated Route 772 from the Dulles Greenway off ramps to Route 625 as described above. The design specification for Relocated Route 772 shall be two or four lanes, as applicable, of a four-lane divided section in a 120 foot wide right-of-way. In addition, Relocated Route 643, shall be constructed or bonded for construction, from Route 625 to Relocated Route 772 as a four-lane undivided section and from Relocated Route 772 to the eastern boundary of the Property, Relocated Route 643 shall be constructed as a four-lane divided roadway tapering to a half-section, as depicted on Exhibit B-2, attached hereto and made a part hereof.

4. All Residential Development and Non-Residential Development of 2000 FAR Square Feet of Service Station Uses, a 150 Room Hotel, up to 233,000 Gross Square Feet of PD-CC-SC Uses, and Up to 350,000 Gross Square Feet of PD-OP Uses. Subject to other legally imposed County requirements, zoning permits shall be issued for all permitted residential units on Parcels I and E of the Property and for non-residential development of up to 2000 FAR square feet of service station uses, a 150 room hotel, up to 233,000 gross square feet of PD-CC-SC uses and up to 350,000 gross square feet of PD-OP uses so long as the Applicant constructs or bonds for construction, in addition to the transportation links described in Proffer D.X.B.3. above, two lanes of a four-lane divided portion of Relocated Route 772, from the end of the Dulles Toll Road ramps to Route 625 over the portion of the Property shown on the Concept Plan and over the lands of others, four lanes of a four-lane divided section of Relocated Route 772, from the end of the Dulles Greenway ramps to the eastern property boundary within a 120 foot wide right-of-way, and two lanes of a four-lane undivided roadway within a 35-foot right-of-way along the southern boundary of Land Bay "D" as generally shown on the Concept Plan and on Exhibit B-3 attached hereto.

C. Future Mass Transit Station Access

The Applicant shall reserve a 35 foot right-of-way along the southern boundary of Land Bays "C" and "D" as shown on the Concept Plan for the purpose of an access road to a future mass transit station. This reservation shall be maintained for a period of ten (10) years from the date that the Applicant's rezoning is approved. During the reservation time period, the County, at its sole option, may either request dedication or an extension of the time of reservation for such period as may be mutually agreed upon by the County and the Applicant. Notwithstanding the above, the reservation shall continue until the Applicant or its successors in interest provides certified notice to the Zoning Administrator of Loudoun County of the pending expiration of such reservation period. The reservation period shall not terminate until six months after County's receipt of such certified notice.

D. Traffic Signals

The Applicant shall construct or pay the reasonable cost of the construction of traffic signals at the following locations:

1. Route 643 Relocated/Route 625
2. Route 643 Relocated/Route 772 Relocated
3. Route 643 Relocated/Public Street (South of Route 772 Relocated)

when the Virginia Department of Transportation has determined that warrants are met requiring such signals.

The contributions required by this Paragraph D. will be made at any time the Virginia Department of Transportation determines that warrants are met requiring such signals up to the time of County approval of the last phase of development as described herein. If warrants for such

signalization have not been met prior to County approval of the last phase of development as described in these Proffers, and the County and VDOT reasonably determine that warrants will be met at the time of full buildout of the Applicant's development, the Applicant shall provide a cash contribution based on the cost of the construction contract for the signalization as reviewed and approved by the County in lieu of installation at the time of issuance of building permits for the last phase of development as described herein.

E. Dulles Greenway Setbacks

The Applicant shall provide a 125'-wide building setback between the edge of the Dulles Greenway right-of-way and any building. No parking shall be permitted within 50' of the Dulles Greenway right-of-way. Existing trees of six inches (6") or more in diameter, measured at a point four feet (4') above ground level, and located within 40' of the Dulles Greenway right-of-way, not removed in conjunction with construction of the Dulles Greenway, shall be preserved by a preservation easement subject to grading, utility and stormwater detention easements. The Applicant shall, together with its application for first final site plan or first record subdivision plat for non-residential development on the Property, whichever is earlier in time, for land abutting the Dulles Greenway, submit for County approval an inventory of all trees within 40 feet of the Dulles Greenway right-of-way having a diameter of six or more inches at a height of four feet above ground level. There shall be reasonable, visual screening between the Dulles Greenway pavement and proposed building construction, and a plan for such screening shall be part of the Applicant's application for each site plan or record plat approval, as appropriate. In determining the adequacy of visual screening, existing trees and vegetation, as well as topographical features, shall be considered. In

addition, where appropriate, and in buffer areas where trees are not planned for preservation, the use of berms 4' - 6' in height and/or the planting of trees shall be provided.

F. Construction by Others

1. In the event that any one or more of the individual roadway improvements proffered by the Applicant herein is substantially performed by others prior to bonding for such construction by the Applicant, the actual paid and reasonable construction costs of such individual improvements shall be contributed by the Applicant to the County in lieu of Applicant's construction obligation. Such contributions in lieu of actual construction shall occur at the time specified in the applicable proffer for construction or bonding of a specific improvement and shall be used for off-site roadway improvements in the vicinity of, and for the benefit of, the Property. The amount of said contribution shall escalate each year on January 10 following the year such construction is completed by others in accordance with the Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor. No such contribution shall be made pursuant to these Proffers in the event that the proffered improvements are constructed as part of a private contract between the Applicant and the other parties.

2. No such contribution shall be paid by the Applicant in the event that the reasonable, actual cost of prior construction by the Applicant of off-site roadway improvements not otherwise proffered by the Applicant, and for which the Applicant has not been reimbursed by others, exceeds the amount of the contribution which would otherwise be due under the terms of the above paragraph, provided that such off-site construction by the Applicant shall make a significant contribution to moving traffic on and off the subject Property. Prior to the commencement of such off-site roadway improvement, the Applicant shall provide the County, for its review and approval,

a plan showing the proposed construction together with a statement of the expected contribution of such improvement on the movement of traffic on and off the subject Property, however, such County approval shall not be unreasonably withheld. For purposes of this paragraph, the term "off-site" shall mean "not otherwise specifically proffered to be built by the Applicant as part of these Proffers."

G. Acquisition of Off-Site Right-of-Way

In connection with any of the above-proffered roadway links, except as provided in Proffer DX.B.3., which are located off-site, the Applicant may ask the County to cooperate in obtaining rights-of-way and/or easements for road construction either through direct contributions from property owners and/or by proffer through the zoning process. The initiation of such direct contributions or proffers is solely within the discretion of the County.

With the exception of the right-of-way for Relocated Route 772, as provided above in Proffer DX.B.3, if off-site right-of-way is needed for such improvement and is not available, the Applicant shall make a good faith attempt to purchase said right-of-way at fair market value.

Where right-of-way and/or easements necessary for construction of such proffered improvement cannot be obtained either: i) voluntarily through donation or proffer to the County, or ii) through purchase by the Applicant at fair market value; the Applicant will work with the County to acquire such right-of-way and/or easements by appropriate eminent domain proceeding by the County, with all costs associated with eminent domain proceedings to be borne by the Applicant, including but not limited to land acquisition costs. It is understood that the County, within its sole discretion, will seek said right-of-way and off-site improvement from other landowners as development occurs. The initiation of such eminent domain proceedings is solely within the discretion of the County.

H. Off-Site Construction by the Applicant

With the exception of the off-site portion of Relocated Route 772, with reference to any off-site improvements which the Applicant constructs and which are not otherwise proffered by the Applicant, the Applicant shall ask the County to request by proffer or other means that reimbursement for the reasonable, actual cost of such improvements made by the Applicant be made to the Applicant from the owners of the off-site property having direct access to such improvement. Such request by the County shall be solely at the discretion of the County.

I. Construction Traffic

The Applicant shall use its best efforts to see that construction traffic to and from the site of development on the Property does not utilize any two-lane roadways in the State secondary road system one hour prior to the commencement of classes at the County public schools and one hour after the end of such classes, Monday through Friday, when the County public school system is in session. "Best efforts" shall not cause the Applicant to expend substantial funds.

In the event construction traffic utilizes the section of State Route 643 between the Property and Ryan, the Applicant, at its expense, unless said improvements have previously been made by others, shall improve the alignment of State Routes 643 and 625 at Ryan as may reasonably be required by VDOT and the County. The Applicant shall direct such construction traffic to utilize State Route 625 northeast to State Route 640 and shall direct such construction traffic not to use State Route 641 between Ryan and Route 7. The Applicant shall ask all of its construction contractors to acknowledge in writing an obligation to honor the terms of this Paragraph IX.I.

J. Pedestrian Traffic

The Applicant shall provide crosswalk markings and pedestrian signalization to reasonable County and VDOT standards at the intersection of Route 643 Relocated and Route 772 Relocated.

K. Building Setbacks

1. Along the east side of Parcel D adjacent to Relocated Route 643 the yard shall be at least seventy (70) feet from the planned residential district and the development setback from the edge of the right-of-way for Relocated Route 643 shall be at least fifty (50) feet. To mitigate the above-described yard and setback modifications of the Zoning Ordinance, the Applicant shall install at the time of construction of buildings on adjacent portions of Parcel D, plantings which conform to Type 4 Front Yard Buffer requirements except that an evergreen hedge of at least four feet in height shall be substituted for the planting of 20 shrubs per 100 lineal feet or other equivalent screening plantings acceptable to the Zoning Administrator may be substituted at the time of approval of a final site plan for adjacent portions of Parcel D.

2. Along the south side of Parcel D adjacent to the future Transit Access Road the yard shall be at least seventy (70) feet from the residential zoning district. To mitigate the above-described yard modification of the Zoning Ordinance, the Applicant shall install at the time of construction of buildings on adjacent portions of Parcel D, plantings which conform to Type 4 Front Yard Buffer requirements except that an evergreen hedge of at least four feet in height shall be substituted for the plantings of 20 shrubs per 100 linear feet or other equivalent screening plantings acceptable to the Zoning Administrator may be substituted at the time of approval of a final site plan for adjacent portions of Parcel D.

3. Along the western edge of Parcel D adjacent to portions of the Property zoned PD-OP the yard shall be at least fifteen (15) feet on the PD-CC-SC portion of the Property. To screen the rear portions of retail structures from adjacent office structures facing the retail buildings, the Applicant shall install at the time of construction of buildings on adjacent portions of Parcel D plantings which will consist of three canopy trees and two understory trees per 100 linear feet and a four foot high evergreen hedge. The Applicant may also construct an undulating berm in such side yard area to supplement the aforementioned evergreen hedge.

X. TRANSPORTATION SYSTEMS MANAGEMENT (TSM):

The Applicant shall implement, or join others in implementing, a Transportation System Management Program (TSM) established to reduce traffic in the vicinity of the Toll Road Corridor and Route 772. The means to achieve this objective over the build-out period of this site will vary from time to time as knowledge is gained about site specific factors and as the region develops. The participation by the Property in said TSM program shall not commence until the issuance of zoning permits for 603,310 FAR square feet of non-residential use on the subject Property. Elements of the program may include:

1. Preferential parking for high occupancy vehicles.
2. Car and van pooling.
3. Flexible work schedules for on-site employees.

At such time as the Applicant can demonstrate to the reasonable judgment of the Zoning Administrator that such TSM results in lowering of the Average Daily Trips to and from the Property, the Applicant shall, with the concurrence of the Zoning Administrator, be allowed to adjust its

phasing schedule to permit an increase in development commensurate with the Average Daily Trip equivalencies set forth in the then latest ITE Manual.

XI. HOMEOWNERS' ASSOCIATION:

Documents to establish a Homeowners' Association (HOA) will be submitted to the County for review and approval and consistency with these Proffers prior to first record subdivision plat approval or first final site plan approval, whichever is first in time, for residential development on the Property, provided that such approval shall not be unreasonably withheld. The HOA shall have among its duties, maintenance of all private streets, common areas, including thereby open space, trails and play areas, on the subject Property as well as collection of the aforesaid annual fire and rescue donations.

XII. LOT OWNERS' ASSOCIATION:

A. The Applicant shall establish a lot owners' association no later than first record subdivision plat for the recordation of a building lot or first final site plan approval, whichever is first in time, on that portion of the Property zoned PD-OP or PD-CC-SC. Lot owner association documents satisfactory in form to the County and consistent with these Proffers, dealing with matters including maintenance of common open space, visual harmony, and collection of fire and rescue donations, shall be submitted for review and approval by the Applicant in connection with its application for first record subdivision plat approval and/or first final site plan approval, whichever is first in time, and such County approval shall not be unreasonably withheld.

B. The Applicant shall establish, as a part of the lot owners' association documents, a site plan review board for the Property under terms which require the owners of the individual parcels to submit all site development plans to such board for review and approval. This approval shall ensure compliance with defined landscape and development standards set forth in the lot owners' association documents. These development standards shall incorporate the following minimum review criteria:

1. Land development techniques and the elements of landscape architecture for those portions of the individual parcels of the Property adjacent to the public rights-of-way and property lines shall be compatible, complimentary and consistent with one another. The goal of the review criteria shall be to achieve compatibility among the various PD-OP or PD-CC-SC uses through consistent land development techniques and landscape treatment.

2. Complementary plant materials and landscaping techniques shall be utilized throughout the streetscape of the Property including additional on-site buffering adjacent to the Dulles Toll Road Extension as provided in Paragraph IX.E. above. A list of specific plant materials for use on the Property shall be provided to developers of the individual parcels.

3. Loading docks will be screened from the view of the public right-of-way and, to the extent possible, shall be oriented away from public streets.

XIII. RECYCLING PROGRAM:

To promote recycling at Ryan Park Center, the Applicant, together with a qualified solid waste/recycling contractor, shall work closely with the County's Department of Building and Development and shall develop a recycling plan for the entire Property no later than the time of

issuance of the first zoning permit. Such plan shall be submitted for County review and approval prior to implementation, and such approval shall not be unreasonably withheld or delayed.

XIV. AFFORDABLE HOUSING:

The Applicant shall abide by the affordable housing ordinance lawfully passed by the County pursuant to Code of Virginia (1950), as amended.

XV. OPEN SPACE:

The Applicant shall make a contribution to the County in the amount of up to FORTY TWO THOUSAND SIX HUNDRED SEVENTY TWO DOLLARS AND EIGHTY-ONE CENTS (\$42,672.81) payable in the amount of THREE THOUSAND EIGHT HUNDRED SEVENTY-NINE DOLLARS AND THIRTY-ONE CENTS (\$3,879.31) per open space easement for up to eleven (11) open space easements for the purpose of preserving open space in the County. The amount of this per unit contribution shall be made at the time of record plat subdivision approval based on the number of market rate units associated with each such record plat approval. The amount of such contribution shall be increased on a yearly basis until paid starting from January 10, 1995, and changing effective each January 10 thereafter based on the corresponding increase in the Consumer Price Index.

The undersigned hereby warrants that all the owners of a legal interest of the Property have signed this Proffer Statement, that he/she has full authority to bind the Property to these conditions either individually or jointly with the other owners affixing their signatures hereto, and that the Proffers are entered into voluntarily.

RELIANCE INSURANCE COMPANY

By: [Signature]
Its: VICE PRESIDENT

STATE OF NEW YORK)
COUNTY OF New York) to-wit:

I, the undersigned Notary Public, in and for the jurisdiction aforesaid, do hereby certify that Herb A. [Signature] as VICE PRESIDENT for Reliance Insurance Company, whose name is signed to the foregoing, appeared before me and personally acknowledged the same in my jurisdiction aforesaid.

GIVEN under my hand and seal this 4 day of February, 1997.

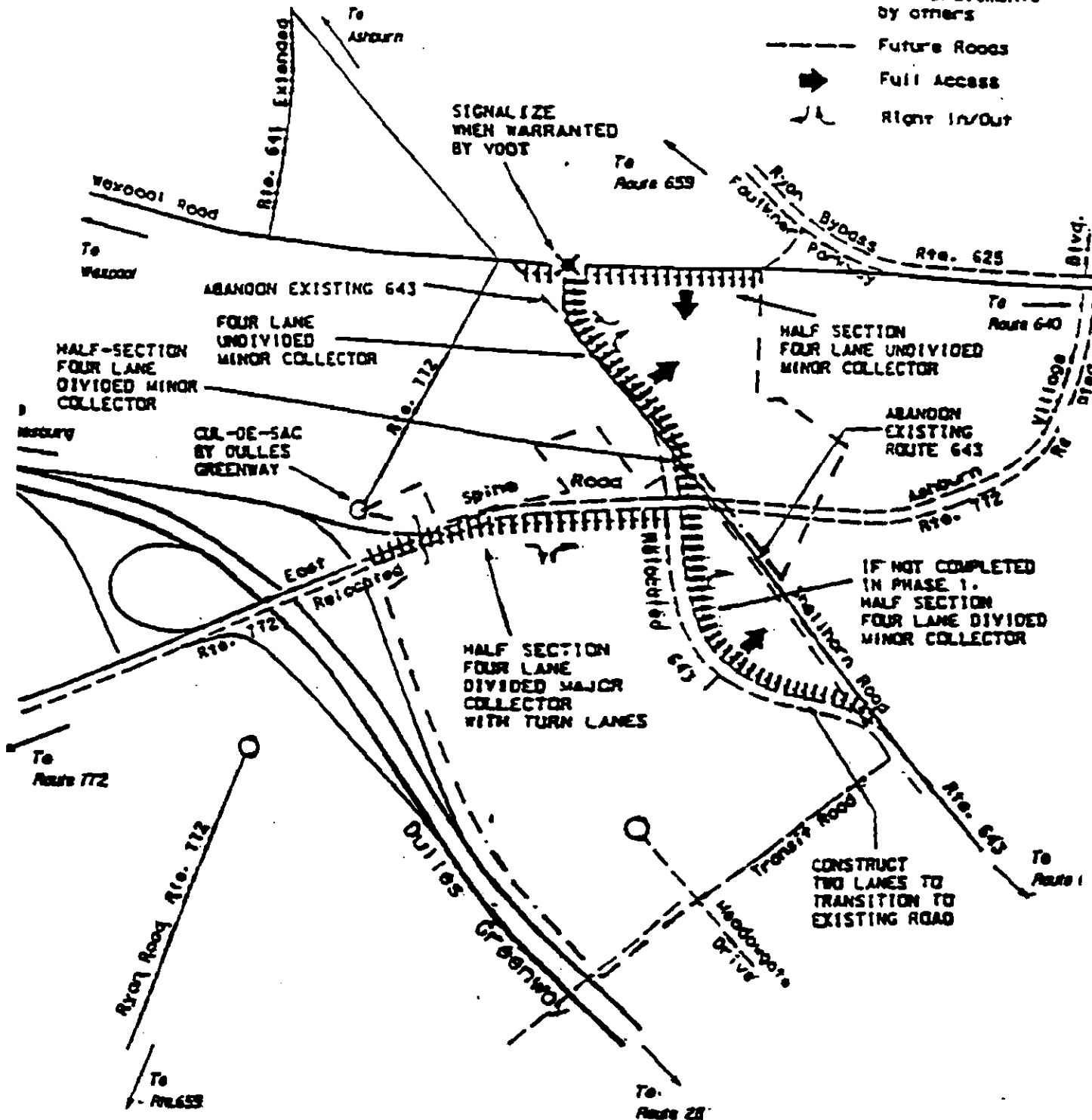
[Signature]
Notary Public

My Commission Expires:
DONNA L. WANDER
Notary Public, State of New York
No. 42875113
Qualified in General Agency
Commission Expires 2/27/99
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LEGEND:

Anticipated Improvements

- Phase 2
- ||||||| UD to 384 DU Res. and 2,000 Gas Stations and 150 Room Hotel
 - Existing roads, improvements in previous phase, or improvements by others
 - - - - - Future Roads
 - ➔ Full Access
 - ↘ Right In/Out



LEGEND:

Proposed Phase 3



Up to 150 Room Hotel,
2,000 GSF Service Station,
150,000 GSF Commercial uses,
and 384 OU Res.



Existing roads,
improvements
in previous phase,
or improvements
by others



Future Roads



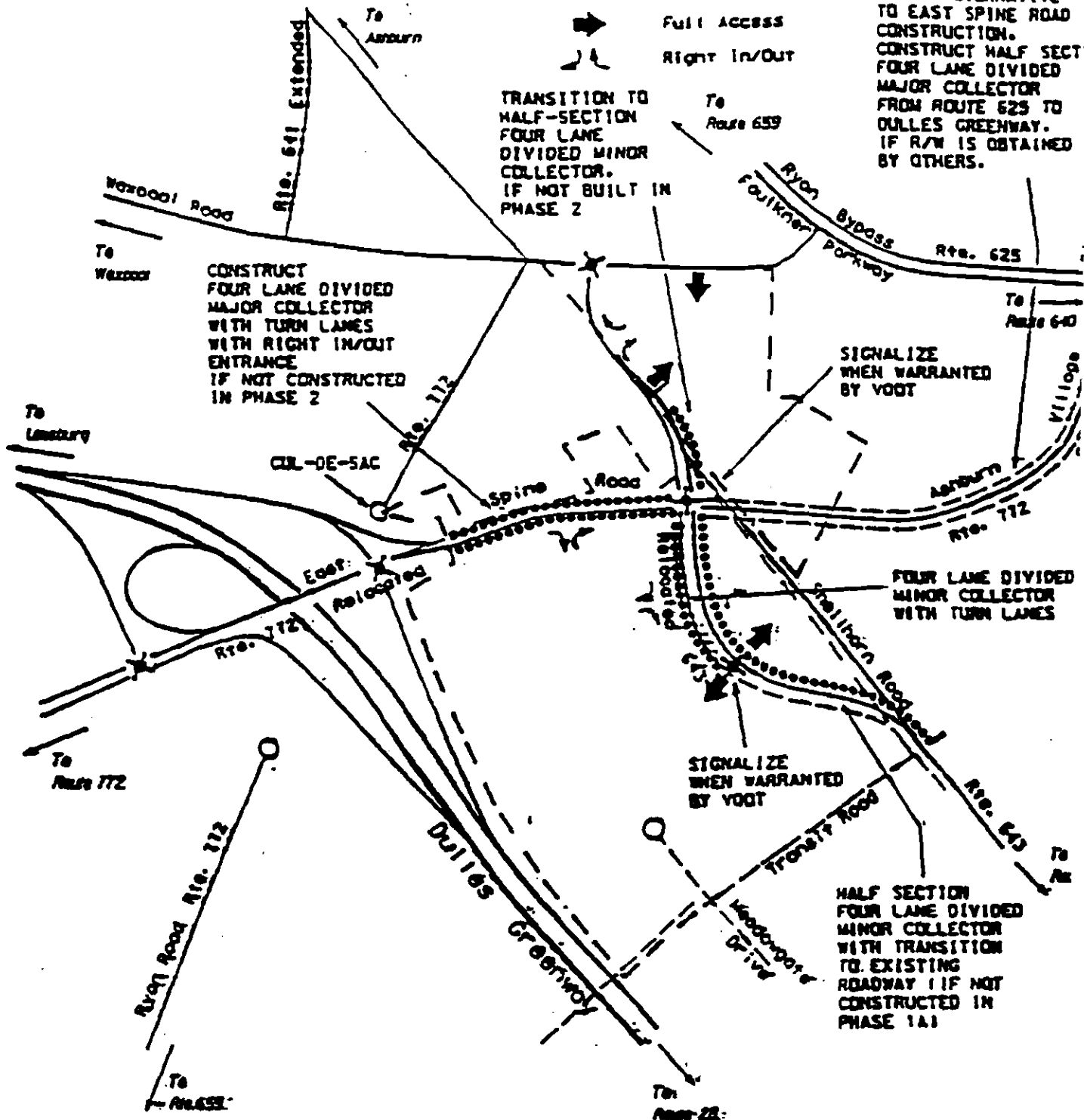
Full Access



Right In/Out

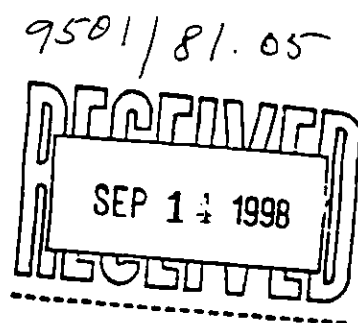
AS AN ALTERNATIVE
TO EAST SPINE ROAD
CONSTRUCTION,
CONSTRUCT HALF SECT
FOUR LANE DIVIDED
MAJOR COLLECTOR
FROM ROUTE 625 TO
DULLES GREENWAY.
IF R/W IS OBTAINED
BY OTHERS.

TRANSITION TO
HALF-SECTION
FOUR LANE
DIVIDED MINOR
COLLECTOR.
IF NOT BUILT IN
PHASE 2



HAZEL & THOMAS

A PROFESSIONAL CORPORATION
ATTORNEYS & COUNSELORS AT LAW



September 10, 1998

Via Hand Delivery

Ronald J. Brown, Esq.
Loudoun County Attorney's Office
One Harrison St., Fifth Floor
Leesburg, VA 20175

RE: Ryan Park Center

Dear Ron:

Enclosed for your files is a copy of the Declaration for Flynn's Crossing as recorded among the land records of Loudoun County, Virginia, in Deed Book 1601, at Page 2302. In the event you have any questions, please do not hesitate to contact me. With kind regards, I remain

Very truly yours,

HAZEL & THOMAS, P.C.

David C. Culbert

DCC/lm

Enclosure

cc: Michael E. McGuire (w/encl.)
Robert M. Diamond, Esq. (w/encl.)

J:\DATA\CLIENT\1717035\003\CORRESP\BROWN.LT1

HAZEL & THOMAS

A PROFESSIONAL CORPORATION
ATTORNEYS & COUNSELORS AT LAW

September 10, 1998

T. Keith Cruttenden, Vice President
Commercial Settlements
Commonwealth Land Title Insurance Company
10513 Judicial Drive, Suite 200
Fairfax, Virginia 22030

Re: Flynn's Crossing

Dear Keith:

Enclosed for your files is a copy of the Declaration for Flynn's Crossing as recorded among the land records of Loudoun County, Virginia, in Deed Book 1601, at Page 2302.

With kind regards, I remain

Very truly yours,

HAZEL & THOMAS, P.C.



David C. Culbert

DCC:lm

Enclosure

cc: Michael E. McGuire (w/o encl.)
Karen C. Fagelson, Esq. (w/o encl.)

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