

DECLARATION
FOR
SHELTON'S RUN

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TURN TO:
ASSOCIATES, INC.
8 CENTERPOINTE WAY
WOODBIDGE, VA 22183
R 94-0004

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SUBMITTED LAND
 ADDITIONAL LAND

EXHIBIT A
 EXHIBIT B

DECLARATION
FOR
SHELTON'S RUN

THIS DECLARATION is made as of the 8th day of December, 1994 by DAN LAND, INC., a Virginia corporation ("Declarant").

RECITALS:

R-1. The Declarant owns in fee simple a portion of the land designated as Submitted Land in the legal description attached as Exhibit A hereto and desires 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 has previously conveyed to NVR Homes, Inc., a Virginia corporation, the land designated as Additional Land in the legal description attached as Exhibit B hereto, and Declarant consents to the annexation of that Additional Land to the provisions of this Declaration, as may be amended from time to time.

R-3. The Declarant deems it desirable and in the best interests of all the owners of land subject to this Declaration to protect the value and the desirability of such land by providing for the development of such land in accordance with a common plan and the maintenance of certain shared facilities.

R-4. To provide a means for meeting the purposes and intents set forth herein, the Declarant has caused Shelton's Run Community Association, Inc. ("Association"), to be incorporated under the laws of the Commonwealth of Virginia.

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

PART ONE

ARTICLE I

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. Virginia Property Owners' Association Act means the Virginia Property Owners' Association Act, Chapter 26 of Title 55 of the Code of Virginia (1950), as amended, supplemented or replaced from time to time.

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

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

(4) "Articles of Incorporation" means the Articles of Incorporation for Shelton's Run Community Association, Inc. filed with the Virginia State Corporation Commission as amended from time to time.

(5) "Assessments" mean the sums levied against the Lots to pay Common Expenses as provided in Article 6 hereof. Assessments include Annual Assessments, Special Assessments, Additional Assessments and Individual Assessments.

(6) "Association" means Shelton's Run Community Association, Inc. and, with respect to the rights and obligations of the Association set forth in this Declaration, its successors and assigns.

(7) "Association Documents" means collectively, the Articles of Incorporation, this Declaration, Supplementary Declarations and the Bylaws, all as amended from time to time. Any

exhibit, schedule, certification or amendment to an Association Document is an integral part of that document.

(8) "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.

(9) "Builder" means a Person who purchases land for the purpose of constructing improvements for resale.

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

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

(12) "Common Expenses" means all expenditures 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 expenditures incurred by or on behalf of the Association and benefiting one or more but less than all of the Owners and assessed against the Lots owned by the Owner benefited pursuant to Subsection 6.2(a)(2) hereof.

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

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

(15) "Declaration" means this Declaration for Shelton's Run 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 Declarations means any declaration: (i) submitting land to the terms of the Declaration and subjecting such land to the jurisdiction of the Association, whether or not such Supplementary Declaration contains additional provisions reflecting the unique characteristics of the land being submitted; or (ii) submitting a portion of the Property to such supplementary covenants in accordance with the provisions of Article 4 hereof. A Supplementary Declaration may be part of a deed of subdivision.

(16) "Design Guidelines" means the standards developed by the Architectural Review Committee and adopted by the Board of Directors pursuant to Article 9 hereof and any standards established by the Declarant during the Development Period.

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

(18) "Land Records" means the land records of Stafford County, Virginia, the jurisdiction in which the Property and the Additional Land are located.

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

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

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

Veteran Affairs (VA), the Government National Mortgage Association (GNMA) and any other public or private secondary mortgage market agency participating in purchasing, guarantying or insuring Mortgages which has notified the Board of Directors of such participation in writing ("Secondary Mortgage Agencies").

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

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

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

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

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

(27) "Submitted Land" means the land designated as such in Exhibit A hereto and all land which is from time to time submitted to the Declaration, (including Lots and Common Area). "Additional Land" means the real estate so designated in Exhibit B hereto as amended from time to time, which the Declarant may submit to the Declaration and to the jurisdiction of the Association pursuant to Section 4.1 of the Declaration.

(28) "Trails" means the paths and trails across Lots (if any) available by easement and Common Area available for the use of all Owners, which shall be maintained by the Association, but not including trails dedicated to and maintained by a governmental authority.

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

Section 1.2. Construction of Association Documents.

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

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

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

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

Section 1.3. The Association.

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

(b) Membership. Members of the Association shall at all times be, and be limited to, the Declarant (during the Development Period) and Persons who constitute Owners of the Lots. If more than one Person owns a Lot, then all of the Persons who own such Lot shall collectively constitute one Owner and be one member of the Association. Each Person is entitled to attend all meetings of the Association. Membership in the Association is mandatory and automatic with ownership of a Lot.

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

The Class A members shall be the Owners, other than the Declarant during the Declarant Control Period. During the Declarant Control Period, a Class A member shall have one vote for each Lot owned upon the earlier of: (i) initial occupancy of the Lot; or (ii) conveyance to an Owner other than the Declarant or a Builder. After the Declarant Control Period, a Class A member shall have one vote for each Lot owned.

The Class B member shall be the Declarant. During the Declarant Control Period, the Class B member shall have 189 votes less the number of votes held by the Class A members when

mortgage, dedicate or convey Common Area owned in fee simple by the Association or grant easements over and through the Common Area subject to the restrictions in Section 14.4 hereof.

ARTICLE 3

UTILITY AND DEVELOPMENT EASEMENTS

Section 3.1. Utility and Development Easements.

(a) General Utility Easement. A non-exclusive blanket easement is hereby granted over and through the Property for the purpose of: (i) installing, constructing, operating, or providing Upkeep for equipment used to provide to any portion of the Property or any Additional Land any utilities, including without limitation water, sewer, drainage, gas, electricity, telephone and cable television service or television service, whether public or private; (ii) ingress and egress to install, construct, operate, maintain, repair and replace such equipment; and (iii) storm water management and storm water drainage. Such easement is hereby granted to any Person providing the aforesaid utilities or installing, constructing, maintaining, repairing or replacing equipment related thereto. Any pipes, conduits, lines, wires, transformers and any other apparatus necessary for the provision or metering of any utility may be installed or relocated only where permitted by the Declarant, where contemplated on any site plan approved by the Declarant or where approved by resolution of the Board of Directors. Equipment used to provide or meter such utilities or services may be installed above ground during periods of construction if approved by the Declarant. The Person providing a service or installing a utility pursuant to this easement shall install, construct, maintain, repair or replace the equipment used to provide or meter the utility as promptly and expeditiously as possible, and shall restore the surface of the land and the surrounding vegetation to their original condition (to the extent practicable) as soon as possible. If the Person installing the utility or providing a service requests a specific easement by separate recordable document then the Declarant or the Association shall have the power to grant such easements pursuant to Subsection 3.1(b) below.

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

(c) Easements to Facilitate Development.

(1) The Declarant hereby reserves to itself and its successors and assigns and also grants to each Builder a nonexclusive blanket easement over and through the Property for all purposes reasonably related to the development and completion of improvements on the Property,

Declarant or Association, as applicable, shall restore the affected property to its original condition as near as practicable.

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

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

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

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

Section 3.4. 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 3, shall: (i) give reasonable prior notice to all affected Owners, unless an emergency exists which precludes such notice; (ii) minimize any economic or aesthetic injury to the affected Lots or the Common Area; and (iii) not unreasonably interfere with the affected Owners' use, enjoyment and benefit from such Owners' Lots or the Common Area.

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

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

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

Section 3.6. Easement for Use of Common Area.

(a) Use and Enjoyment. The Declarant, during the Development Period and each Owner is hereby granted a nonexclusive right and easement of use and enjoyment in common with others of the Common Area. Each Owner and each Person lawfully occupying a Lot is also hereby granted a non-exclusive easement for egress and ingress over the Common Area to the extent necessary to provide vehicle and pedestrian access to such Lot. Such easement for ingress and egress shall not be extinguished by termination of the Declaration or conveyance of the Common Area unless alternative access is provided, if necessary, and the Owner of the Lot consents in writing to the termination of the easement. The foregoing rights and easements of use and enjoyment and access, ingress and egress shall be appurtenant to each Lot, whether or not mentioned in the deed thereto. Any purported conveyance or other transfer of such rights and easements apart from the Lot to which such rights and easements are appurtenant shall be void.

(b) Additional Land. During the Development Period, the Declarant also reserves to itself, its successors and assigns, the right to grant to each Person lawfully occupying a portion of the Additional Land a non-exclusive easement over all streets, walks and paths on the Common Area, as may be necessary for vehicular and/or pedestrian ingress and egress across such Common

Area from a public right-of-way to any portion of the Additional Land that would not otherwise have access to a public right-of-way; provided, however, that the Persons benefiting from such easement shall pay a portion of the expense of Upkeep for such streets, walks and paths on a similar basis as Lots subject to the Declaration.

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

(d) 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 and the Association when exercised in accordance with the other applicable provisions of the Association Documents, including without limitation the Association's right (acting through its Board of Directors) to regulate the use of the Common Area and to establish reasonable charges therefor, to grant easements across the Common Area, to dedicate portions of the Common Area owned in fee simple by the Association and to convey or mortgage the Common Area owned in fee simple by the Association subject to the requirements in Section 14.4 hereof.

Section 3.7. Land Submitted by Owners Other than the Declarant. Any Owner 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

EXPANSION OF THE PROPERTY

Section 4.1. Expansion by the Declarant. The Declarant hereby reserves a right until the fifteenth anniversary of the date of recordation of this Declaration to expand the Property from time to time without the consent of the Association or any Owner or Mortgagee (except the owner of such land) by unilaterally submitting all or any portion of the Additional Land to the provisions of this Declaration and the jurisdiction of the Association. The right to expand may be terminated only upon the recordation by the Declarant of an instrument relinquishing such right. The Declarant reserves the unilateral right without the approval of the Association or of any Owner 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 have such right after the conveyance of a Lot to an Owner other than the Declarant without the written consent of such Owner. The Declarant shall add

Additional Land in accordance with the procedures set forth in Section 4.3 hereof. There are no limitations on the right to expand except as set forth in this Article. If the Declarant does not submit all or any portion of the Additional Land to the Declaration, such land may be developed in any manner allowable under local zoning and subdivision ordinances without regard to the restrictions in this Declaration.

Section 4.2. Expansion by the Association. With the written consent of the fee simple owner of such land (if not the Association), and upon approval from members entitled to cast sixty-seven percent of the total number of votes of each class of members and the written consent of the Declarant during the Development Period, the Association may submit any land located immediately adjacent to the Property or across a public right-of-way from the Property to the provisions of this Declaration and the jurisdiction of the Association, in accordance with the procedures set forth in Section 4.3 hereof.

Section 4.3. Procedure for Expansion. The Declarant or the Association, as appropriate, may record one or more amendments to the Declaration submitting the land described therein to this Declaration and to the jurisdiction of the Association ("Supplementary Declarations"). Each Supplementary Declaration shall include a legally sufficient description of the land added and shall designate such land with the term Section followed by a unique identifier so as to differentiate between each section of the Property. Any Supplementary Declaration may contain such additions to the provisions in this Declaration as may be necessary to reflect the different character of the land described therein and as are not inconsistent with the overall scheme of this Declaration; provided, however, that such additions shall not apply to any Lot previously submitted to this Declaration without the written consent of the Owner of the Lot subject to the additional provisions. Upon recording a Supplementary Declaration submitting land to the Declaration, the provisions of the Declaration shall apply to the land thereby added as if such land were originally part of the Submitted Land.

Section 4.4. Withdrawable Land. During the Development Period, the Declarant has the unilateral right without the consent of the Association, any Owner or Mortgagee to sign and record an amendment to the Declaration withdrawing any portion of the Submitted Land, if such land is dedicated or is to be dedicated to public use. Any land dedicated for public street purposes is automatically withdrawn from the provisions of the Declaration. The Declarant may also unilaterally withdraw without the approval of the Association, any Owner or any Mortgagee, any land owned by the Declarant or a Builder.

ARTICLE 5

SPECIAL DECLARANT RIGHTS: TRANSFER

Section 5.1. Special Declarant Rights. Special declarant rights are those rights reserved for the benefit of the Declarant as provided for in the Association Documents, and shall include without

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

Section 5.2. Transfer of Special Declarant Rights. The Declarant may transfer special declarant rights created or reserved under the Association Documents to any Person acquiring Lots or Additional Land by an instrument evidencing the transfer recorded in the Land Records. The instrument is not effective unless executed by the transferor and transferee; Provided, however, that a Person acquiring all the Lots or Additional Land owned at that time by a declarant under a mortgage or deed of trust or by foreclosure or deed in lieu of foreclosure may unilaterally sign an instrument to acquire some or all of the special declarant rights with respect to the land acquired. A partial transfer of special declarant rights does not prevent the transferor declarant from continuing to exercise special declarant rights with respect to land retained by such declarant. The instrument providing for a partial transfer of special declarant rights shall allocate voting rights between the transferor and the transferee as such Persons shall agree among themselves. Each Person having declarant rights under the Association Documents has the right to transfer such rights unilaterally with respect to land owned by such Person. If at any time the Declarant ceases to exist and has not made an assignment of the special declarant rights, a successor may be named by an amendment to the Declaration made pursuant to Section 15.2 hereof.

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 10.4 of the Bylaws.

(b) Preparation and Approval of Budget.

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

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

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

(c) Installment Payments and Due Dates. Any and all such Assessments and other charges shall be a lien against each Owner's Lot as provided in Section 12.2 hereof. On or before the first day of each fiscal year, and the first day of each succeeding payment period in such fiscal year, each Owner shall pay to such Person at such place as the Board of Directors may direct that installment of the Annual Assessment which is due during such period. The Board of Directors shall establish one or more payment periods and the due dates for each such payment in each fiscal year, provided, however, that payments shall be due not less than annually or more frequently than monthly unless specifically provided otherwise herein.

(d) Initial Assessment. The first installment of the Annual Assessment for Common Expenses shall be prorated based upon the number of days remaining in the payment period and shall be due on the date the Lot is first subject to assessment pursuant to Section 6.2 hereof. Any additional amounts due shall be divided by the number of full payment periods (if any) remaining in that fiscal year and paid in equal installments on the first day of each payment period remaining in that fiscal year. Neither Annual Assessments nor Special Assessments may be used for construction of capital improvements during the Development Period if value is to be given for such improvements.

(e) Effect of Failure to Prepare or Adopt Budget. For the first fiscal year of the Association following the first conveyance of any Lot to an Owner other than the Declarant or a Builder, and for all fiscal years thereafter, the Board of Directors shall establish the Annual Assessment against each Lot for Common Expenses. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay the allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Owner shall continue to pay Assessments at the rate established for the previous fiscal year until notified of the new payment which is due on the first day of the next payment period which begins more than ten days after such new annual or adjusted budget is adopted and the Owner receives such notice.

Section 6.2. Assessments.

(a) Purpose and Rate of Assessment.

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

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

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

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

(iii) Any expenses incurred by the Association for the maintenance of pipestem or Common Driveways pursuant to Article 16 hereof.

(iv) Any expenses proposed by the Board of Directors or a specific group of Owners as Limited Common Expenses against a specific group of Lots and agreed to by members entitled to cast a majority of the total number of votes with respect to such Lots, shall be

assessed against such Lots as such Owners may agree or on the basis set forth in Subsection 6.2(a)(1) hereof, inter se.

(3) Limitations on Increases.

(A) Maximum Assessments. For the first fiscal year following recordation of this Declaration, the maximum Annual Assessment against Lots for Common Expenses, excluding Limited Common Expenses, shall be Six Hundred and No/100 Dollars (\$600.00) plus any additional maximum Assessment set forth in a Supplementary Declaration.

(B) Automatic Increases in Maximum Assessment.

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

(i) ten percent; or

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

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

(C) Increases Approved by Member Vote. The Board of Directors may not levy an Annual Assessment or an Additional Assessment which in the aggregate will exceed the maximum Annual Assessment for such fiscal year unless an increase in the maximum Annual Assessment or the Additional Assessment is approved by either: (i) the members obligated to pay such Assessment by at least Sixty-seven percent vote of each class of such members at a meeting where a sixty percent quorum is present and called for the purpose of approving such increase in the maximum Annual Assessment (if such quorum is not obtained at the meeting required by this

subsection, a second meeting of the Association may be held within sixty days of the first meeting at which only a thirty percent quorum is required); or (ii) with the written approval of members entitled to cast more than sixty-seven percent of the total number of votes of each class of such members.

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

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

(d) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, contingencies and replacements. Such funds shall be a Common Expense of the Association. Reserves for items serving only certain Lots (if any) shall be accounted for and funded solely by the Owners of the Lots served (as a Limited Common Expense).

(e) 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; or (iii) be credited to the next periodic installment due.

(2) Unless the budgets for the next two succeeding fiscal years are 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) hereof; provided, however, that if unoccupied Lots owned by the Declarant are exempt from assessment in accordance with Section 6.3 hereof, then during the Declarant Control Period the

Declarant shall make up any net shortage (expenses and reserves) in the Association's operating budgeted income over the Association's ordinary operating expenses as provided in Section 6.3 hereof, 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.

(g) Lots Added During the Fiscal Year. Notwithstanding any other provision of this Article, whenever any Additional Land is added, the Assessment against each Lot being added (other than unoccupied Lots which are owned by the Declarant or a Builder and exempt from Assessment in accordance with Section 6.3 hereof) 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 Lots already a part of the Property. In addition, the Owner of the Lot being added shall pay a prorated portion of any amount payable for the period between the date the Lot becomes subject to assessments and the due date of the next installment. Such proration of the Assessment due for any Lot added shall be based upon the total Assessment due and a 365-day fiscal year. Payment of the prorated portion will be due no later than the due date of the first installment to be paid by the Owner of any Lot added.

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

(a) Special One-time Assessment for Declarant and Builders. The Declarant, or the Builder if so determined by the Declarant, shall pay a one-time assessment of One Hundred Dollars (\$100.00) per Lot. The foregoing sum shall be due in each Section on the date of the first conveyance of a Lot in a Section to an Owner other than the Declarant or a Builder.

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

(b) Exemptions. The Common Area and any properties dedicated to a public authority or exempt from taxation by a public authority shall be exempt from assessment and the lien created hereby. Lots containing dwellings which have never been occupied and owned by the Declarant or a Builder shall be exempt from assessment for Common Expenses under Section 6.1(a) hereof for so long as the Declarant or Builder are assessed in accordance with paragraph (a) hereof.

Section 6.4. Liability for Common Expenses.

(a) Declarant and Owner Liability. The Declarant, for each Lot owned by the Declarant, hereby covenants and agrees, and each Owner of a Lot by acceptance of a deed therefor, whether or not so expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association all Assessments and other charges assessed by the Board of Directors pursuant to the provisions of this Declaration. Each Owner shall be personally liable for all Assessments against such Owner's Lot at the time the Assessment fell due. No Owner may 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 if the Common Area is temporarily not usable. No Owner shall be liable for the payment of any part of the Common Expenses assessed against the Lot subsequent to the date of recordation of a conveyance by such Owner in fee of such Lot. Prior to or at the time of any such conveyance, all liens, unpaid charges and Assessments shall be paid in full and discharged and, unless so discharged, shall remain a charge on the land and a continuing lien against the Lot. The purchaser of a Lot shall be jointly and severally liable with the selling Owner for the proportionate unpaid share of Common Expenses, without prejudice to the purchaser's right to recover from the selling Owner amounts paid by the purchaser therefore; provided, however, that any purchaser of such Lot may rely on a Statement of Common Expenses obtained pursuant to Section 6.6 hereof.

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

Section 6.5. Collection of Annual Assessments. Any Assessment, or installment thereof, not paid within ten days after the due date shall be delinquent and may accrue a late charge in the amount of Twenty-five Dollars (\$25.00), or such other amount as may be established from time to time by the Board of Directors. The Board of Directors, or the managing agent at the request of the Board, shall take prompt action to collect any Assessments due from any Owner which remain unpaid for more than thirty days after the due date for payment thereof.

Section 6.6. Statement of Common Expenses. The Board of Directors or managing agent shall provide any Owner, contract purchaser or Mortgagee, within fourteen days after a written request therefor, with a written statement of all unpaid Assessments due with respect to a specific

Lot (or a statement that the amount of unpaid Assessments is zero) as part of the "Association Disclosure Packet" substantially in the form attached as Exhibit B to the Bylaws or otherwise as a separate statement. No contract purchaser, Mortgagee or purchaser from a Mortgagee requesting such a statement shall be jointly or individually liable for, nor shall the Lot conveyed to such Person relying on such statement be subject to a lien for, any unpaid Assessments due prior to the date of such statement in excess of the amount set forth on such statement; provided, however, that this section shall not be interpreted to release any Person from personal liability for such Assessments levied while such Person owned the Lot. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation.

ARTICLE 7

OPERATION OF THE PROPERTY

Section 7.1. Upkeep by Association. (a) General. The Association shall be responsible for the management and Upkeep of all of the Common Area and Trails. The cost of the management and Upkeep of the Common Area and Trails shall be charged to the Owners as a Common Expense or Limited Common Expense, as appropriate. The Association shall not have any responsibility for the Upkeep of any Lot except for those responsibilities and duties specifically enumerated within the Association Documents, the subdivision documents or separate easement agreements. Notwithstanding the general provisions for maintenance of Common Area set forth in this section, other specific maintenance responsibilities and allocations of maintenance costs shall be determined by any provisions therefor indicated in a Supplementary Declaration or as part of a deed of subdivision 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 hereof, the cost of such Upkeep shall be assessed against such Owner's Lot pursuant to Subsections 6.2(c) and 12.1(h) hereof. The Board of Directors shall establish the standard for Upkeep of the Common Area in its sole discretion.

(b) Storm Water Management. The Board of Directors may determine to provide Upkeep of the storm water management and drainage facilities as a Common Expense of the Association to the extent such maintenance is not performed by Stafford County, Virginia. The Owner of any Lot on which there is located an easement for storm water drainage 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 the fencing 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 Declarant and the Association shall have easements pursuant to Sections 3.1, 3.2 and 3.3 hereof to enter upon any Lot to the extent necessary for Upkeep of such facilities.

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

Section 7.2. Upkeep of Lots. 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 as may be otherwise provided in a Supplementary Declaration. Each Owner shall perform this responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. If any Owner shall fail to keep such Owner's Lot in as good repair and condition as when acquired (normal wear and tear excepted) and in a neat and orderly condition, consistent with such Rules and Regulations as the Board of Directors may promulgate, then the Board, or managing agent on behalf of the Board may, give notice to that Owner of the condition complained of, specifying generally the action to be taken to rectify that condition. If the owner fails to take the actions specified or to otherwise rectify the condition within thirty days after the date the notice is given, or such other period as may be specified in the notice if the circumstances warrant a different period, the Board of Directors shall have the right, pursuant to Section 3.3 and Subsection 12.1(f) hereof and any resolutions adopted by the Board of Directors to rectify that condition by taking such action (or by causing such action to be taken) as was specified in the notice. The costs incurred in rectifying the condition shall be assessed against such Owner's Lot in accordance with Subsection 6.2(c) and Section 12.1 hereof. The Owner shall reimburse the Association within thirty days after receipt of a statement for such expenses from the Board.

Section 7.3. Manner of Repair and Replacement. All repairs and replacements 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 excess of twenty percent in the aggregate of the total Annual Assessment for Common Expenses for that fiscal year during any period of twelve consecutive months, the making of such additions, alterations or improvements requires a Majority Vote of the members, and the Board of Directors shall assess all Owners benefited for the cost thereof as a Common Expense or a Limited Common Expense depending on the nature of the improvement. Any capital additions, alterations or improvements or replacements costing in the aggregate twenty percent or less of the total Annual Assessment for Common Expenses for that fiscal year during any period of twelve consecutive months may be made by the Board of Directors without approval of the members and the cost thereof shall constitute a Common

of the Lot, if such actions are in accordance with applicable zoning and not detrimental to the value of the Property.

(b) Limitations.

(1) Any Person obtaining approval of the Architectural Review Committee shall substantially complete any construction or alteration in accordance with approved plans and specifications within six 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 complete construction. If any such Person does not complete work within six months after approval, or such other time period determined by the Committee, then approval shall lapse.

(2) Any Person obtaining approval of the Architectural Review Committee shall not deviate materially from the plans and specifications approved without the prior written consent of the Committee. 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 similar plans and specifications are subsequently submitted for use in any other instance or by any other Person.

Section 7.6. Restriction on Further Subdivision. No Lot shall be further subdivided or separated into smaller Lots by any Owner, except with the approval of the Declarant during the Development Period or the Board of Directors, thereafter. This provision shall not require the approval of the Declarant or the Board of Directors to deeds of correction, deeds to resolve boundary line disputes or similar corrective instruments. No portion of any such Lot, nor any easement or other interest therein, except easements for utilities, stormwater drainage and management, street dedications and other easements or dedications to any utility or public authority or to the Declarant, shall be conveyed or transferred by an Owner, except with the approval of the Declarant, during the Development Period, or the Board of Directors, thereafter.

ARTICLE 8

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

Section 8.1. Permitted Uses. Each Lot and the Common Area shall be occupied and used as follows:

The Lots shall be used and occupied for residential and associated recreational purposes. Except as otherwise provided in the Association Documents, no Lot shall be used for commercial purposes. Notwithstanding the foregoing, nothing in the Association Documents shall be construed prohibit the Declarant or its designees from using any Lot owned by the Declarant (or any other

Lot with the permission of the Owner thereof) or any portion of the Common Area for promotional, marketing, display or customer service purposes (such as a visitors' center) or for the settlement of sales of Lots. Further, the Declarant specifically reserves the right to operate a construction office or a rental, brokerage and management office at any time on Lots owned or leased by the Declarant (or any other Lot with the permission of the Owner thereof) and on any portion of the Common Area, to the extent permitted by law. The Declarant may assign its rights under this subsection to or share such rights with one or more other Persons, exclusively, simultaneously or consecutively with respect to the Common Area and Lots owned or leased by the Declarant or such Persons.

Section 8.2. Restrictions on Use.

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

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

(c) Harmful Discharges. There shall be no emissions of dust, sweepings, dirt, cinders, odors, gases or other substances into the atmosphere (other than normal residential chimney or outdoor grill emissions), no production, storage or discharge of hazardous wastes on the Property or discharges of liquid, solid wastes or other harmful matter into the ground or any body of water, if such emission, production, storage or discharge may adversely affect the use or intended use of any portion of the Property or may adversely affect the health, safety or comfort of the occupants of the Lots.

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

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

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

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

(h) Signs. Except for such signs as may be posted by the Declarant or a Builder (as permitted by the Declarant) for promotional or marketing purposes or by the Association, no signs of any character shall be erected, posted or displayed in a location that is visible from the Common Area or any other Lot that does not comply with Design Guidelines without the prior written approval of the Architectural Review 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. Trash containers shall not be permitted to remain in public view from the Common Area or another Lot except on days of trash collection. The Board of Directors may determine to negotiate a trash service contract on behalf of some or all of the Owners, the cost of which shall be a Common Expense or a Limited Common Expenses, as appropriate. No incinerator shall be kept or maintained upon any Lot without the prior written approval of the Board of Directors.

(j) Temporary Structure. No structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel, run, stable, shed or other temporary accessory building shall be erected, used or maintained on any Lot except in connection with construction activities or as approved in writing by the Architectural Review Committee.

(k) Landscaping: Utility Lines. No tree, hedge or other landscape feature shall be planted or maintained in a location which obstructs sight-lines for vehicular traffic on public or private streets. Pavement, plantings and other landscape materials shall not be placed or permitted to remain upon any Lot: (i) if such materials may damage or interfere with any easement for the installation or maintenance of utilities; (ii) in violation of the requirements of such easements; (iii) unless in conformity with public utility standards; or (iv) if such materials may unreasonably change, obstruct or retard direction or flow of any drainage channels. Otherwise, the installation of such materials within utility easements shall be permitted. Except for hoses and 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. Utility Equipment normally installed above ground may be installed above ground.

(l) Cutting Trees. No live trees with a diameter in excess of two inches or no live vegetation on slopes of greater than twenty percent gradient or marked "no cut" areas on approved site plans may be cut without prior approval of the Architectural Review Committee unless necessary to construct improvements based on plans previously approved by the architectural Review Committee. The Board of Directors shall set rules for cutting of vegetation and trees.

(m) Antenna. No outside antenna, satellite dish, or amateur radio equipment or similar equipment shall be permitted; provided, however, that the Board of Directors may erect and maintain a master antenna, satellite dish or similar equipment to serve the Property the cost of which shall be a Common Expense.

(n) Fences. Except for any fence installed by the Declarant or a Builder (if permitted by the Declarant) or by the Association, no fence shall be installed except with the written approval of the Architectural Review Committee. No metal fences, including, without limitation, chain link and rod iron shall be permitted on the Property; provided, however, that the Declarant or its designees may erect a chain link fence for the temporary storage of building materials for the protection of building sites or storm water management ponds or for other construction or safety purposes.

(o) Vehicles. Except in connection with construction activities, no commercial trucks or vans or trailers, campers, recreational vehicles, boats or other large vehicles, including grounds maintenance equipment, ATV's, dune buggies, or trail bikes may be parked or used on any portion of the Common Area or any portion of a Lot visible from the Common Area or another Lot or on any public right-of-way within or adjacent to the Property, unless expressly permitted by the Board of Directors and only in such parking areas or for such time periods (if any) as may be designated for such purpose. Parking of all such vehicles and related equipment, other than on a temporary and non-recurring basis, shall be in garages or in areas designated by the Board of Directors, if any. No junk or derelict vehicle or other vehicle on which current registration plates and current county and state inspection permits are not displayed shall be kept upon any portion of the Common Area or any

portion of a Lot visible from the Common Area or another Lot or on any public right-of-way within or adjacent to the Property. Vehicle repairs are not permitted, except in accordance with the Rules and Regulations; provided, however, that noncommercial repair of vehicles is permitted within enclosed structures. All motor vehicles shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on Trails or unpaved portions of Common Area, except such vehicles are authorized by the Board of Directors as needed to maintain, repair or improve the Common Area. This prohibition shall not apply to normal vehicular use of designated streets and lanes constructed on Common Area.

(p) 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.

(q) Animals. The maintenance, keeping, boarding or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited on any Lot or upon the Common Area, except that the keeping of guide animals and reasonable number of orderly domestic pets (e.g., dogs, cats or caged birds) is permitted, subject to the Rules and Regulations adopted by the Board of Directors; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding; and provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise may be permanently removed from the Property upon ten days written notice from the Board of Directors. Pets shall not be permitted upon the Common Area unless accompanied by someone who can control the pet and unless carried or leashed. Pet droppings shall be cleaned up by the Owner responsible for the pet being on the Property. Any Owner who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, each Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Property. All pets shall be registered and inoculated as required by law. The appropriate governmental authorities shall have an easement across the Property to enforce local animal control laws and ordinances.

(r) Lighting. No exterior lighting shall be directed outside the boundaries of a Lot.

(s) Mailboxes and Newspaper Tubes. Only mailboxes and newspaper tubes meeting Design Guidelines or approved by the Architectural Review Committee are permitted.

(t) Clothes Drying Equipment. No clotheslines or other clothes drying apparatus shall be permitted on any Lot.

(u) Professional Offices. No Lot shall be used for any business, commercial, manufacturing, mercantile, storing, vending or other non-residential purpose; provided, however, that an Owner may maintain an office or home business in the dwelling constructed on such Owner's Lot if: (i) such office or business generates no significant number of visits (as determined by the

Board of Directors) by clients, customers or other persons related to the business; (ii) no equipment or other items related to the business are stored, parked or otherwise kept on such Owner's Lot or the Property outside of an approved enclosure; and (iii) such Owner has obtained approvals for such use as may be required by the appropriate local governmental agency. As a condition to such use, the Board may require the Owner to pay any increase in the rate of insurance or other costs for the Association which may result from such use.

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

Section 8.3. Rules and Regulations. The Board of Directors shall have the power to adopt, amend and repeal Rules and Regulations restricting and regulating the use and enjoyment of the Property or of any portion thereof and the actions of the Owners and occupants which affect the Property, which may supplement, but may not be inconsistent with the provisions of the Association Documents. For the purposes of interpretation and enforcement of the Rules and Regulations, the term Property shall be deemed to include the land immediately adjacent to the Property within the public rights-of-ways or otherwise to the extent an Owner or occupant's actions affect the appearance of the Property. Rules and Regulations governing the actions of Owners or occupants on land adjacent to the Property shall be consistent with and reasonably necessary to the maintenance of a uniform quality of appearance for the Property. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Owner. Changes to the Rules and Regulations shall be published prior to the time when the same shall become effective and copies thereof shall be provided to each Owner. The Rules and Regulations shall not unreasonably interfere with the use or enjoyment of the Lots or Common Area. Also, the Board of Directors may issue temporary exceptions to any prohibitions expressed or implied by this Article, for good cause shown.

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

Section 8.5. Leasing and Resale of Lots.

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

(b) Resale.

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

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

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

ARTICLE 9

ARCHITECTURAL REVIEW

Section 9.1. Architectural Review Committee.

(a) Purpose. The Board of Directors may establish an Architectural Review Committee, consisting of at least three persons appointed by the Board, each, to serve for a term of from one to three years as may be determined by the Board of Directors, in order to assure that the Property shall always be maintained in a manner: (i) providing for visual harmony and soundness of repair; (ii) avoiding activities deleterious to the aesthetic or property values of the Property; and

(iii) promoting the general welfare and safety of the Owners, such Owners' tenants and such Owners' (or tenants') households, guests, employees, agents and invitees. If the Board of Directors fails to appoint an Architectural Review Committee, then the Board of Directors shall perform the duties of the Architectural Review Committee.

(b) Powers.

(1) The Architectural Review Committee shall regulate the external design, signage, appearance, use and maintenance of the Property; provided, however, that the Architectural Review Committee shall not have the power to regulate the activities of the Declarant on the Common Area or any Lot owned by the Declarant or construction on any Lot which has been approved by the Declarant or activities of the Board of Directors on the Common Area.

(2) The Architectural Review Committee may from time to time establish requirements regarding the form and content of plans and specifications to be submitted for approval. The Architectural Review 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.

(3) Subject to the review of the Board of Directors, the Architectural Review 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.

(4) The Architectural Review Committee shall propose Design Guidelines for approval by the Board of Director. Such Design Guidelines approved and adopted by the Board of Directors are hereby incorporated by this reference and shall be enforceable as if set forth herein in full.

(5) A Majority Vote of the Architectural Review Committee shall be required in order to take any action. The Architectural Review Committee shall keep written records of all its actions. Any action, ruling or decision of the Architectural Review Committee may be appealed to the Board of Directors by any party who appeared at a hearing with respect to such action, ruling or decision or who submitted a written protest prior to the action, decision or ruling and the Board may modify or reverse any such action, decision or ruling.

(c) Authority. The Architectural Review 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 Architectural Review Committee of any of its duties, powers and

authority either generally or on a case-by-case basis. The Architectural Review Committee shall carry out its duties and exercise its powers and authority in accordance with Subsections 12.1(h) and (i) hereof and in the manner provided for in the Rules and Regulations adopted by the Board of Directors or by resolution of the Board of Directors. The Architectural Review Committee and the Board of Directors shall have no authority to regulate construction by the Declarant or approved by the Declarant.

(d) Time for Response: Variances. Notwithstanding the foregoing, the Architectural Review Committee shall act on all matters properly before it within forty-five days after submission of a complete application in the form prescribed by the Architectural Review Committee; failure to do so within the stipulated time shall constitute approval by the Architectural Review Committee of the proposed structure, addition, alteration or improvement if in conformance with the Design Guidelines. Notwithstanding the foregoing, neither the Board of Directors or Architectural Review Committee has the right or power, either by action or failure to act, to waive enforcement or grant variances from written Design Guidelines without a specific finding stating the variance and the reasons therefor in a written instrument which shall be part of the records of the Association. Upon such written approval of any specific variance or exception from the requirements of the Design Guidelines, such development conforming to such variance or exception shall be deemed to comply.

Section 9.2. Compensation of the Architectural Review Committee. Members of the Architectural Review Committee may not be compensated by the Association for their service on the Architectural Review Committee.

ARTICLE 10

INSURANCE

Section 10.1 Physical Damage and Liability Insurance. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area. This insurance shall cover loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, and shall be in amounts sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board of Directors shall obtain a public liability policy applicable to the Common Area covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents arising from the operation, maintenance or use of the Common Area. The public liability policy shall have a combined single limit of at least one million dollars. If reasonably available, the Board of Directors shall obtain directors' and officers' liability insurance. Premiums for all insurance shall be a Common Expense.

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

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

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

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

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

(i) a waiver of subrogation by the insurer as to any claims against the Board of Directors, any Owner, any Owner's household;

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

(iii) that no policy may be canceled, invalidated or suspended due to the conduct of any Owner, or such Owner's tenant or such Owner's (or tenant's) household, guests, employees, agents and invitees, or of any member, Officer or employee of the Board of Directors or the managing agent 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

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

(v) the Declarant, so long as the Declarant shall own any Lot, shall be protected by all such policies as a Member, if available.

Section 10.2. Fidelity Bonds. In addition to the other insurance required by this Article, the Board shall obtain a fidelity bond or bonds on directors, Officers, employees, agents and other persons handling or responsible for the Association's funds naming the Association as the obligee. The premium for any fidelity bond obtained by the Association shall be a Common Expense. The amount of fidelity coverage shall be in an amount equal to the maximum funds that will be in the custody of the Association at any time, but not less than an amount equal to the sum of twenty-five percent of the annual general Assessment and the Association's reserve funds, unless the Board determines in the exercise of its business judgment that such amount is unwarranted and that a lower amount is appropriate. The fidelity bonds shall contain a waiver of all defenses based upon the

exclusion of persons serving without compensation and may not be canceled or substantially modified without at least ten days prior written notice to the Association.

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

ARTICLE 11

RECONSTRUCTION AND REPAIR

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

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

ARTICLE 12

COMPLIANCE AND DEFAULT

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

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

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

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

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

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

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

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

(h) Charges and Suspension of Rights. The Board of Directors has the power to impose charges and to suspend the right to vote in the Association (pursuant to Section 3.2 of the Bylaws) or other rights in the case of an Owner found to be responsible for a violation of the Association Documents or Rules and Regulations. Charges may not exceed Fifty Dollars (\$50.00) for each violation or Ten Dollars (\$10.00) per day for each violation of a continuing nature or such greater amount as may be permitted by law. No charge may be imposed for failure to pay an Assessment except as otherwise provided in the Declaration. Charges are Individual Assessments and shall be collectible as such and shall also constitute a lien against a Lot in accordance with Section 12.2 hereof. The Board may also suspend the right of an Owner or other occupant, and the right of such Person's household, tenants, guests, employees or invitees to use the recreational facilities located on the Common Area 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. No charge shall be imposed and no construction altered or demolished until the Person charged with such a violation has been given notice and an opportunity for a hearing as set forth in Subsection 12.1(i) below. In addition, voting rights and the right to use the recreational facilities located on the Common Area may not be suspended until the Person charged with the violation has been given notice and an opportunity for a hearing pursuant to Subsection 12.1(i) below, unless such rights are suspended due

to non-payment of Assessments, in which case the Person charged with the violation is not entitled to notice and an opportunity for a hearing. The Board of Directors may determine to take other actions, including, without limitation, performing maintenance on a Lot pursuant to Sections 6.2 and 7.2 hereof without providing a hearing. The Board 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, before imposing any charge or before taking any action affecting one or more specific Persons shall afford such Person the following basic due process rights.

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

(2) Hearing. If the respondent is entitled to a hearing pursuant to Subsection 12.1(h) above and requests in writing a hearing before any charge is imposed or action taken, then the imposition of the charge or the taking of the action shall be suspended until the respondent has an opportunity to be heard at a hearing at which the Board of Directors 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.

Section 12.2. Lien for Assessments.

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

levied by governmental authority and made superior by law. The personal obligation of the Owner to pay such Assessment shall, in addition, remain such Owner's personal obligation and a suit to recover a money judgment for non-payment of any Assessment or installment thereof, levied pursuant hereto, may be maintained without foreclosing or waiving the lien herein created to secure the same.

(b) Acceleration. In any case where an Assessment against an Owner is payable in installments, upon a default by such Owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such Assessment may be accelerated, at the option of the Board of Directors, and the entire balance of the Assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner.

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

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

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

ARTICLE 13

MORTGAGEES

Section 13.1. Notice to Board of Directors. Upon request, an Owner who mortgages such Owner's Lot shall notify the Board of Directors of the name and address of the mortgagee. No mortgagee shall be entitled to any Mortgagee rights under the Association Documents unless such

Mortgagee has notified the Board of its address as required by Section 13.2 below and has requested all rights under the Association Documents.

Section 13.2. Notices to Mortgagees. Any mortgagee who desires notice from the Association shall notify the Secretary of the Association to that effect by certified or registered United States mail, postage prepaid. Any such notice shall contain the name and address, including post office address of such mortgagee and the name of the person to whom notices from the Association should be directed. 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 one hundred twenty days) or any other default, simultaneously with the notice sent to the defaulting Owner;
- (2) All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to improvements located on the Common Area in excess of thirty percent of the then current replacement cost of such improvements;
- (3) Any termination, lapse or material modification in an insurance policy held by the Association;
- (4) Any taking in condemnation or by eminent domain of the Common Area and the actions of the Association in connection thereto;
- (5) Any proposal to terminate the Declaration, at least sixty days before any action is taken to terminate in accordance with Article 15 hereof; and
- (6) Any proposal to amend materially the Articles of Incorporation, this Declaration or the Bylaws, at least ten days before any action is taken pursuant to Section 14.4 hereof.

Section 13.3. Other Rights of Mortgagees. Upon request a Mortgagee or such Mortgagee's representatives shall have the right to receive notice of and to attend and to speak at meetings of the Association. All such Mortgagees shall have the right to examine the Association Documents, Rules and Regulations and books and records of the Association on the same basis the members.

ARTICLE 14

AMENDMENT: EXTRAORDINARY ACTIONS

Section 14.1. Amendment by the Declarant. During the Development Period, the Declarant may unilaterally without the approval of the Association, any Owner, Mortgagee or Secondary Mortgage Agency amend any provision of this Declaration or any Supplementary Declaration to:
) make non-material or corrective changes; (ii) satisfy the requirements of any government,

governmental agency, Secondary Mortgage Agency or Mortgagee; (iii) reflect the relocation of boundary lines between the Common Area and any Lots or among any Lots; provided, however, that such relocation is reflected in an approved resubdivision; (iv) add all or any portion of the Additional Land in accordance with Section 4.1 hereof, and (v) withdraw Submitted Land in accordance with Section 4.4 hereof.

Section 14.2. Amendment by the Association.

(a) Member Approval. Subject to Sections 14.3 and 14.4 hereof, the Association may amend this Declaration with the written approval of members entitled to cast at least seventy-five percent of the total number of votes or upon a Seventy-five Percent Vote by the members at a meeting called for such purpose.

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

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

Section 14.3. Prerequisites. Written notice of any proposed amendment by the Association shall be sent to every Owner at least fifteen days before any action is taken. No amendment shall increase the financial obligations of an Owner in a discriminatory manner or further restrict development on existing Lots in a discriminatory manner. No amendment to the Declaration shall diminish or impair the rights of the Declarant during the Development Period under the Declaration without the prior written consent of the Declarant. No amendment to the Declaration shall diminish or impair the express rights of the Mortgagees under the Declaration without the prior written approval of at least Fifty-one Percent of the Mortgagees. No amendment may modify this Article or the rights of any Person hereunder. Except as specifically provided in the Declaration, no provision of the Declaration shall be construed to grant to any Owner or to any other Person any priority over any rights of Mortgagees.

Section 14.4. Extraordinary Actions of the Association. The provisions of this section shall not be construed to reduce the vote that must be obtained from members where a greater vote is required by the Act or other provisions of the Association Documents nor shall it be construed to

lessen the unilateral rights given to the Declarant pursuant to Articles 3, 4 and 14 hereof to amend the Declaration or a Supplementary Declaration without the consent of the Association, any Owner or Mortgagee. To the extent this section applies to amendments to a Supplementary Declaration, the approval of the members or Mortgagees required shall be deemed to refer only to the members owning Lots or Mortgagees holding Mortgages on Lots subject to such Supplementary Declaration.

(a) Mortgagee and Owner Approval. Without the approval of at least Fifty-one Percent of the Mortgagees and members entitled to cast at least sixty-seven percent of the total number of votes of each class, the Association shall not, by act or omission: (i) seek to abandon, partition, subdivide, encumber, dedicate, sell or transfer the Common Area owned in fee simple by the Association (except for making dedications required by governmental entities, granting easements for utilities or other purposes to benefit the Property or the adjoining land consistent with the intended use of such Common Area or making transfers pursuant to Section 2.2 hereof); (ii) add (except in a Supplementary Declaration) or change the method of determining the obligations, Assessments or other charges which may be levied against an Owner or voting rights of any members (except to reduce the Declarant voting rights with the consent of the Declarant); (iii) add (except in a Supplementary Declaration), change, waive or abandon any scheme or regulation or enforcement thereof, pertaining to architectural design or exterior appearance or Upkeep of the Lots or Common Area; (iv) fail to maintain fire and extended coverage on insurable Common Area on a current replacement cost basis in an amount at least 100 percent of the insurable value (based on current replacement cost), in accordance with Article 10 hereof; (v) use hazard insurance proceeds for losses to the Common Area for any purpose other than repair, replacement or restoration of such Common Area substantially in accordance with the Association Documents and the original plans and specifications, except as provided in Article 11 hereof; (vi) terminate the Declaration or dissolve the Association or merge or consolidate with another association; or (vii) add (except in Supplementary Declarations) or amend any material provisions of the Association Documents which establish, provide for, govern or regulate any of the following: (1) voting (except to reduce the Declarant's voting rights with the consent of the Declarant), (2) Assessment liens or priority of such liens; (3) reserves for maintenance, repair and reconstruction of the Common Area; (4) insurance or fidelity bonds; (5) rights to use of the Common Area; (6) maintenance responsibility; (7) leasing of Lots; (8) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey such Owner's Lot; (9) expansion or contraction of the Property or the addition, annexation or withdrawal of land to or from the Property; or (10) any provisions which are for the express benefit of Mortgagees.

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

(c) Presumptive Approval. Any Mortgagee who is notified of amendments or actions of the Association by certified or registered United States mail, return receipt requested and who

does not deliver a negative response to the Secretary of the Association within thirty days shall be deemed to have approved such amendment or action.

(d) VA or FHA Consent. When a VA guarantee is in effect on a Mortgage, without the consent of VA, or when FHA insurance is in effect on a Mortgage, without the consent of FHA: (1) the Declarant may not amend the description of Additional Land or participate in an Association vote to amend the description of Additional Land; and (2) during the Declarant Control Period, the Association may not submit any land other than Additional Land or take any action described in Section 14.4(a) hereof. The foregoing shall only apply for so long as a Lot within the Property is encumbered by a loan guaranteed by VA or insured by FHA. In addition, during the Declarant Control Period, VA or FHA must be informed of all amendments to the Association Documents if the Association Documents have been previously approved by such agency.

ARTICLE 15

TERMINATION

Section 15.1. Duration: Termination by the Association. The covenants and restrictions of this Declaration shall run with the land and bind the Property and be in full force and effect in perpetuity unless amended or terminated as provided herein. Subject to Section 14.4 hereof, the Association may terminate this Declaration only with the written approval of members entitled to cast at least eighty percent of the total number of votes. The termination shall not be effective until certified by the President as to compliance with the procedures set forth in this Article, signed and acknowledged by the President and Secretary of the Association and recorded among the Land Records.

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

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

ARTICLE 16

COMMON DRIVEWAYS

Section 16.1. Definitions.

(a) "Common Driveways" shall be the areas within the Ingress and Egress Easements as shown on the plats of the Property attached to the Deeds of Dedication, Subdivision, and Easement for the Property.

(b) "Affected Lots" shall be the Lots that use the Common Driveways for access to the dwellings constructed on such Lots. Lots which are subject to the Ingress and Egress Easements but which do not use the Common Driveways for access to the dwelling constructed on such Lot are not Affected Lots and are not subject to the maintenance provisions of Section 16.3 of this Article, unless the Owners of such Lots, or their respective households, guests, tenants or agents make regular use of the Common Driveway.

Section 16.2. Restrictions.

(a) Use. Common Driveways shall be used exclusively for the purpose of ingress and egress to the Affected Lots and for the construction and maintenance of utilities for the Lots subject to the Easements.

(b) Restrictions. No act shall be performed by any Owner, member of such Owners' household or their tenants, guests or agents which would in any manner affect or jeopardize the free and continuous use and enjoyment of any other Owner of an Affected Lot in and to the Common Driveway.

(c) Parking. There shall be no parking within Common Driveways at any time except for emergency vehicles, unless the Board of Directors, by Resolution, determines otherwise upon petition of an Owner of an Affected Lot.

Section 16.3. Maintenance Damage or Destruction. In the event that any Common Driveway needs maintenance or is damaged or destroyed (including deterioration from ordinary wear and tear and lapse of time or preventive maintenance):

(1) through the act or omission of an Owner or member of such Owner's household or any of such Owner's guests, employees, tenants, agents or invitees (whether or not such act or omission is negligent or otherwise culpable), it shall be the obligation of such Owner to maintain, rebuild and repair the Common Driveway without cost to the other Owners of Affected Lots served by that Common Driveway;

(2) other than by the act or omission of an Owner for which such Owner is responsible, it shall be the obligation of all Owners of Affected Lots served by that Common Driveway to maintain, rebuild and repair such Common Driveway at their joint and equal expense.

Section 16.4. Cost of Maintenance.

(a) Association Maintenance. If the Owners of Affected Lots do not perform all necessary maintenance, rebuilding and repairs to any Common Driveway, at the discretion of the Board of Directors or upon the request of a majority of the Owners of the Affected Lots, the Association may do so using the funds escrowed for that Common Driveway (if any) and Individual Assessments levied pursuant to this section and Subsection 6.2(c) here against the Affected Lots served by such Common Driveway as may be needed to cover the cost of the work. The Individual Assessment may be levied prior to performing the work, based on a good faith estimate of the cost as determined by the Board of Directors, or if the Board of Directors so determines, the Board may establish an escrow fund and levy an assessment against the Owners of Affected Lots not to exceed an annual charge of One Hundred Dollars (\$100.00) per year. This maximum charge may be increased by ten percent (10%) each fiscal year if so determined by the Board of Directors.

(b) Lien. This annual charge shall be subject to the same penalty, interest, lien, and other provisions as the regular Assessment. The failure of any Owner to pay the annual charge within thirty days from the start of each fiscal year shall result in an assessment lien against such Owner's Lot.

(c) Escrow. The Association shall hold the annual charge (if any) in escrow and shall maintain a separate accounting for the escrowed funds for each Common Driveway.

(d) Right to Contribution. 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 of the Declaration.

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.

DAN LAND, INC.,
a Virginia corporation

By: *Keith K Compton*
Name:
Title: *pres*

Commonwealth of Virginia;

County of Fairfax; to-wit:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Keith K. Compton, Jr., President of DAN LAND, INC., whose name is signed to the foregoing instrument, has acknowledged the same before me in the aforesaid jurisdiction as a duly authorized officer of the corporation.

GIVEN under my hand and seal on December 9, 1994

Robert Wood

Notary Public

My commission expires: 6/30/97

Exhibit "A"

Beginning at a point in the centerline of Shelton Shop Road (Route 648), said point also being the Southeast corner of Garrisonville Church of Christ; thence departing the aforesaid centerline and running along with the Garrisonville Church of Christ:

North 18 degrees 15 minutes 09 seconds West, passing through an iron pipe found at 20.17 feet, in all 600.75 feet to a found marked 6 inch tree at the Southeast corner of Beavers; thence, departing Garrisonville Church of Christ and running along and with Beavers,

North 17 degrees 49 minutes 49 seconds West, 2871.61 feet to an iron pipe set by a cedar stake found in line of Stefaniga; thence departing Beavers and running, in part, along and with Stefaniga and the outline of Vista Woods,

- North 84 degrees 15 minutes 12 seconds East, passing through iron rods found at 28.32 feet, 117.50 feet, 208.55 feet, 298.69 feet, 509.38 feet, in all 873.96 feet to an iron rod found at the Southwest corner of Lot 56, Phase Two, Section Thirteen, in the outline of Vista Woods; thence, continuing with the outline of Vista Woods,

North 84 degrees 33 minutes 29 seconds East, passing through iron rods found at 145.26 feet, 550.14 feet, 683.77 feet, 783.95 feet, 883.82 feet, 983.88 feet, 1,083.92 feet, 1,199.79 feet, 1,250.06 feet, 1,382.72 feet, in all 1,418.26 feet to a point at the Northwest corner of Hirst; thence departing the outline of Vista Woods, and running along with Hirst, Beechler and Peyser,

South 1 degree 06 minutes 49 seconds West, passing through a found stone at 2.20 feet, and iron pipes found at 291.95 feet and 816.21 feet, in all 1,205.80 feet to a found stone at the Northwest corner of Sigler; thence departing Peyser and running, in part, along and with, Sigler, Dow and Orr,

South 00 degrees 01 minute(s) 44 seconds East, 855.02 feet to an iron pipe found at the corner of Rossi and Biscoe; thence departing Orr and Biscoe and running along and with Rossi,

North 62 degrees 42 minutes 17 seconds West, 385.86 feet to an iron pipe found in the centerline of a 30 foot Easement for access; thence continuing along and with the Westerly line of Rossi and centerline of said Easement, the following six (6) courses:

South 7 degrees 55 minutes 56 seconds West, 198.82 feet to a point; thence

South 8 degrees 49 minutes 16 seconds West, 308.90 feet to a point; thence

South 5 degrees 51 minutes 16 seconds West, 132.90 feet to a point; thence

South 0 degrees 41 minutes 16 seconds West, 104.30 feet to a point; thence

South 4 degrees 32 minutes 44 seconds East, 210.00 feet to a point; thence

South 8 degrees 59 minutes 44 seconds East, 285.74 feet to a point in the centerline of Shelton Shop Road (Route 648); thence departing Rossi and running along and with the aforesaid centerline the following three-courses:

South 62 degrees 20 minutes 31 seconds West, 489.49 feet to a point; thence

85.83 feet along the arc of a curve deflecting to the right and having a radius of 2,150.00 feet and a chord bearing and distance South 63 degrees 28 minutes 54 seconds West, 85.52 feet to a point; thence

South 64 degrees 37 minutes 17 seconds West, 342.81 feet to the point of beginning,

containing 119.1654 acres of land, more or less as shown in more particular detail on a Plat by Greenhorne & O'Mara, Inc., entitled "BOUNDARY SURVEY OF THE LAND OF PETER S. SITNIK ET AL", dated August 29, 1988.

LESS AND EXCEPT HOWEVER, all that certain lot or parcel of land situate, lying and being in Rock Hill Magisterial District, Stafford County, Virginia, as shown on plat made by Fred S. Price, LS, dated August 16, 1990, containing 6.1351 acres, together with a 30 foot Access Easement to Route 648, recorded with a Deed to Peter J. Rossi and Ellen S. Rossi in Deed Book 771 at Page 725, among the Land Records of Stafford County, Virginia.

LESS AND EXCEPT HOWEVER:

Lot 32, Phase 1, Section 1, SHELTON'S RUN, as shown on Plat of Subdivision recorded in Plat Book 26 at Page 156, among the Land Records of Stafford County, Virginia.

Lot 15, 16 and 20, Phase 1, Section 2, SHELTON'S RUN, as shown on Plat of Subdivision recorded in Plat Book 26 at Page 216, among the Land Records of Stafford County, Virginia.

Exhibit "B"

Lot 32, Phase 1, Section 1, SHELTON'S RUN, as shown on Plat of Subdivision recorded in Plat Book 26 at Page 156, among the Land Records of Stafford County, Virginia.

Lot 15, 16 and 20 Phase 1, Section 2, SHELTON'S RUN, as shown on Plat of Subdivision recorded in Plat Book 26 at Page 216, among the Land Records of Stafford County, Virginia

COMMONWEALTH OF VIRGINIA,
COUNTY OF STAFFORD TO-WIT:

IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT FOR THE
COUNTY OF STAFFORD, THE 12 DAY OF December, 1994
THE FOREGOING DEED Declaration WAS PRESENTED AND
WITH THE CERTIFICATE ANNEXED ADMITTED TO RECORD AT 8:36
AM AND INDEXED AFTER PAYMENT OF \$ ← TAX IMPOSED
BY 58.1-800., ET. SEQ.

TESTE:

THOMAS MONCURE, JR., CLERK

By: *Barbara H. Decatur, Jr*

AMENDMENT TO DECLARATION

THIS AMENDMENT TO DECLARATION, made and entered into this 23rd day of March, 1995, by DAN LAND, INC., a Virginia corporation, hereinafter referred to as the "Declarant".

WITNESSETH

WHEREAS Declarant has created a residential community known as SHELTON'S RUN with permanent open spaces and other common facilities for the benefit of said community by a Deed of Dedication and Subdivision, Deed of Conveyance, Deed of Easement and Deed of Annexation, recorded in Deed Book 1091 at Page 451 among the land records of Stafford County, Virginia (hereinafter referred to as the "Deed of Subdivision"); and

WHEREAS Declarant has subjected said Property to covenants, restrictions, easements, conditions, and charges by a certain Declaration recorded in Deed Book 1082 at Page 208 among the land records of Stafford County, Virginia, to provide for the preservation of the values and amenities in said community and for the maintenance of said open space and other common facilities; and

WHEREAS pursuant to the direction of the Secretary of Veterans Affairs, the Declarant desires and intends to amend the aforesaid Declaration as hereinafter set forth in accordance with Article 14, Section 14.1 of the above-referenced Declaration.

NOW THEREFORE, the Declarant, acting alone, does hereby amend the aforesaid Declaration recorded in Deed Book 1082 at Page 208 among the land records of Stafford County, Virginia as hereinafter set forth and does further declare that the Property know as SHELTON'S RUN (the "Property") more particularly described in the above-mentioned Deed of Subdivision shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, conditions and charges previously recorded, and as amended below, which are for the purpose of protecting the value and desirability of, and shall run with, the subject Property and any annexed property and be binding on all parties having any right, title or interest in the subject Property, the annexed property or any part thereof, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof.

1. Article 6, Section 6.3(a) is hereby amended by deleting the existing provision and adding the following:

"(a) Special One-time Assessment for Declarant and Builders. The Declarant, or the Builder if so determined by the Declarant, shall pay a one-time assessment of One Hundred Fifty Dollars (\$150.00) per Lot. The foregoing sum shall be due in each Section on the date of the first conveyance of a Lot in a Section to an Owner other than the Declarant or a Builder.

RETURN TO: KY4-0004
TITLE ASSOCIATES, INC.
13188 CENTERPOINTE WAY
WOODBIDGE, VA 22193

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

WITNESS the following signature:

DAN LAND, INC.
a Virginia corporation

BY: Keith K. Compton
Keith K. Compton
President

COMMONWEALTH OF VIRGINIA

COUNTY OF FAIRFAX, to wit:

I, the undersigned, Notary Public in and for the State and County aforesaid, whose commission as such expires on the 31st day of July, 1995, do hereby certify that Keith K. Compton, whose name is signed to the foregoing document bearing date on the 23rd day of March, 1995, has signed and acknowledged the same before me in my jurisdiction aforesaid as a duly authorized officer of the corporation.

GIVEN under my hand and seal this 23rd day of March, 1995.

Michelle M. DeLuca
Notary Public

COMMONWEALTH OF VIRGINIA
COUNTY OF STAFFORD TO-WIT:

IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT FOR THE
COUNTY OF STAFFORD, THE 24th DAY OF March, 1995
THE FOREGOING ~~WAS~~ Amend WAS PRESENTED AND
WITH THE CERTIFICATE ANNEXED ADMITTED TO RECORD AT 1:30
PM AND INDEXED AFTER PAYMENT OF \$ TAX IMPOSED
BY SS. 1-500, ET. SEQ.

TESTE:
THOMAS MONCURE, JR., CLERK
By: Berta C. Chaney DC