

AMENDED AND RESTATED
DECLARATION FOR
CASCADES

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AMENDED AND RESTATED

DECLARATION FOR

CASCADES

THIS AMENDED AND RESTATED DECLARATION IS MADE AS OF OCTOBER 31, 1990, BY BONDY WAY DEVELOPMENT CORPORATION, A MARYLAND CORPORATION, AND PRIMROSE DEVELOPMENT CORPORATION, A MARYLAND CORPORATION (COLLECTIVELY, "DECLARANT"); AND CASCADES COMMUNITY ASSOCIATION, INC., A VIRGINIA NONSTOCK CORPORATION ("ASSOCIATION").

WITNESSETH:

WHEREAS, Kettler & Scott, Inc., a Delaware corporation, NVKettler L.P., a Virginia limited partnership and Potomac Lakes L.P., a Virginia limited partnership (collectively, "Original Declarant") executed and recorded the Declaration for Cascades ("Initial Declaration") dated June 22, 1989 and recorded August 16, 1989 in Deed Book 1053 at Page 1202 among the land records for Loudoun County, Virginia and recorded on August 29, 1989 in Deed Book 7412 at Page 971 among the land records for Fairfax County, Virginia (collectively, "Land Records") submitting certain real estate further described in the Initial Declaration to the covenants, charges, restrictions, easements and liens contained in the Initial Declaration;

WHEREAS, the Original Declarant assigned its declarant rights under the Initial Declaration to the Declarant pursuant to an Assignment of Declarant's Rights and Amendment of Declaration For Cascades dated September 13, 1990 and recorded on September 17, 1990 in Deed Book 1099 at page 1520 among the Land Records;

WHEREAS, the Original Declarant and the owners of certain real estate executed and recorded Supplementary Declarations For Cascades subjecting Additional Real Estate to the Initial Declaration, such real estate to remain subject to this Amended and Restated Declaration.

WHEREAS, the Declarant and the Association desire to amend and restate the Initial Declaration;

WHEREAS, the Declarant is the Class E member of the Association which is currently entitled to cast more than sixty-seven percent of the total number of votes in the Association;

WHEREAS, Section 15.2 of the Initial Declaration allows the Association to amend the Initial Declaration with the written approval of members entitled to cast at least sixty-seven percent of the total number of votes and members entitled to cast sixty-seven percent of the total number of votes have consented to this amendment and restatement as evidenced by the Declarant's signature hereto and the Owner's Consents attached hereto:

WHEREAS, all Mortgagees were given thirty days notice of the proposal to amend and restate the Articles of Incorporation and Bylaws for Cascades Community

Association, Inc. and the Declaration For Cascades (collectively, "Association Documents") by certified mail, return receipt requested, and no Mortgagee objected, therefore pursuant to Section 15.4 of the Initial Declaration the Mortgagee not responding to the notice of Amendment are deemed to have approved; and

WHEREAS, Section 15.4 of the Initial Declaration requires the prior written approval of sixty-seven percent of the Mortgagees and members entitled to cast at least sixty-seven percent of the total number of votes, including a majority of the votes entitled to be cast by Owners other than the Declarant, before the Association can make certain material amendments to the Association Documents and, such approvals have been obtained as evidenced by the Mortgagee's Consents and Owner's Consents attached hereto;

WHEREAS, Section 15.4 of the Initial Declaration also states that the Association may not make certain material amendments to the Association Documents without the consent of the Veterans Administration when a Veterans Administration guarantee is in effect on a Mortgage, however no veterans Administration guarantee is currently in effect on a Mortgagee and; therefore, no approval is necessary.

NOW, THEREFORE, in consideration of the foregoing premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Declarant and the Association hereby amend and restate the Initial Declaration as set forth below, and upon recordation of this Amended and Restated Declaration, the provisions of this Amended and Restated Declaration shall supersede and replace the provisions of the Initial Declaration in its entirety. The real estate designated as Submitted Real Estate in Exhibit A hereto shall, from the date this Amended and Restated Declaration is recorded, be held, conveyed, acquired and encumbered subject to the terms and provisions hereof, all of which shall run with the land and bind and inure to the benefit of the Association and all Persons who may now or hereafter own or acquire any right, title, estate or interest in or to any of such real estate, 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 Amended and Restated Declaration to add all or an portion of the Additional Real Estate.

PART ONE

ARTICLE 1

GENERAL PROVISIONS

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

(1) "ADDITIONAL REAL ESTATE" MEANS THE REAL ESTATE SO DESIGNATED IN EXHIBIT B OR SHOWN ON EXHIBIT C HERETO AND SUCH REAL ESTATE AS MAY BE DESIGNATED AS ADDITIONAL REAL ESTATE IN AMENDMENTS TO EXHIBIT B MADE BY THE DECLARANT FROM TIME TO TIME, WHICH THE DECLARANT MAY SUBMIT TO THIS DECLARATION AND TO THE JURISDICTION OF THE ASSOCIATION PURSUANT TO SECTION 4.1 HEREOF, OR ANY REAL ESTATE THAT THE ASSOCIATION MAY SUBMIT TO THE DECLARATION AND ASSUME JURISDICTION OVER PURSUANT TO SECTION 4.2 HEREOF.

(2) "Act" means the Virginia Nonstock Corporation Act, Chapter 10 of Title 13.1 of the Code of Virginia (1950), as the same may be amended, supplemented or replaced from time to time.

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

(4) "Association" means Cascades Community Association, Inc. and, with respect to the rights and obligations of the Association set forth in this Declaration, its successor and assigns.

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

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

(7) "Builder" means a Person who in the regular course of business purchases Lots or raw land solely for the purpose of constructing improvements for resale or rental.

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

(9) “Common Area” means, at any given time, all of the Property, other than Lots, then owned or leased by the Association or otherwise available to the Association for the benefit, use and enjoyment of the Owners; provided, however, that real estate is not Common Area solely because it is burdened by an easement for utilities, landscaping, storm water management or signage, even though the Association may maintain such areas. A portion of the Common Area which the Association has the right to maintain as Community Trails or otherwise for the benefit of the Owners may be located within a Lot. For the purposes of maintenance, operation and control such portion of the lot shall be treated as Common Area; for the purposes of ownership, such portion shall be part of the Lot and shall be included in the calculation of voting rights and assessments.

(10) “Common Expenses” means all expenditures lawfully made and incurred on behalf of the Association, together with all funds determined by the Board of Directors to be 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 and Recreational Facilities Expenses.

(a) “Limited Common Expenses” means expenses incurred by the Association and benefiting one or more but less than all of the Lots pursuant to Subsection 6.2 (a) (2) hereof, but not including Recreational Facilities Expenses.

(b) “Recreational Facilities Expenses” means expenses incurred by the Association for the management and Upkeep of and insurance for the Recreation Facilities and such amounts as the Board of Directors may determine to be necessary to create reserves for the repair and replacement of the Recreational Facilities.

(11) “Community Trails” means the paths and trails constructed by the Declarant or by an Owner pursuant to an agreement with the Declarant across Lots and any Common Area owned in fee simple by the Association, which shall be maintained by the Association for the use of all Owners. Such paths and trails shall be considered part of the Common Area, even though located within a Lot.

(12) “Covenants Committee” means the committee that may be established by the Board of Directors 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.

(a) “New Construction Subcommittee” means the subcommittee of the Covenants Committee that reviews proposed initial construction of any structure on the Property as set forth in Section 9.4 and Subsection 9.2 (a) hereof.

(b) “Modifications Subcommittee” means the subcommittee of the Covenants Committee that reviews proposed visible additions, alterations or modifications to the exterior of existing structures on the Property as set forth in Subsection 9.2 (b) hereof.

(c) “Rules Enforcement Subcommittee” means the subcommittee of the Covenants Committee that reviews possible violations of the Association

Documents and Rules and Regulations and recommends appropriate enforcement action as set forth in Subsection 9.2 (c) hereof.

(13) “Declarant” means collectively, Primrose Development Corporation, a Maryland corporation and Bondy Way Development Corporation, a Maryland corporation. Each of the Persons comprising the Declarant may unilaterally assign the declarant rights such Person is entitled to exercise, pursuant to Section 5.2 hereof. Each of the Persons comprising the Declarant may unilaterally exercise its rights under the Association Documents. Following recordation of an instrument assigning to another Person some or all of the rights reserved to the Declarant under the Association Documents, pursuant to Section 5.2 hereof the term “Declarant” shall mean that assignee in addition to or instead of either of the entitles listed above.

(14) “Declarant Control Period” means the period ending on the earlier of: (1) the later of (i) the tenth anniversary of the date of recordation of the Declaration or (ii) the fifth anniversary of the date of recordation of the most recent Supplementary Declaration adding Additional Real Estate (providing, however, that once the Declarant Control Period has expired, the recordation of a subsequent Supplementary Declaration shall not reinstate the Declarant Control Period; and provided, further, that if the Declarant is delayed in the improvement and development of the Property due to a sewer, water or building permit moratorium or other cause or event beyond the Declarant’s control, then the aforesaid period shall be extended for the period of the delay or three years, whichever is less); (2) the date of the number of votes of Class A members equals the number of votes of the Class E member; or (3) the date specified by the Declarant In a written notice to the Association that the Declarant Control Period is to terminate on that date.

(15) “Declaration” means the Declaration for Cascades dated June 22, 1989, and recorded August 16, 1989, in Deed Book 1053, and Page 1202, among the land records for Loudoun County, Virginia, and recorded on August 29, 1989, in Deed Book 7412, at Page 971 and among the land records for Fairfax County, Virginia, as amended by this Amended and Restated Declaration For Cascades. The term Declaration shall include all amendments to the Declaration: (i) amending the provisions herein pursuant to Article 15 hereof, and (ii) except when the context clearly requires otherwise, Supplementary Declarations submitting Additional Real Estate to the terms of this Declaration and the jurisdiction of the Association pursuant to Article 4 hereof.

(16) “Design Standards” means the standards developed for the Property by the Covenants Committee pursuant to Article 9 hereof, and any standards established by the Declarant.

(17) “Development Period” means the period of time that the Declarant or Builders are engaged in development or sales, or activities related thereto, anywhere on the Property or the Additional Real Estate. When all the real estate described in Exhibit A or B to the Declaration or any amendment thereto has been conveyed to Owners other than the Declarant or a Builder, then the Development Period shall end.

(18) "Land" means, at any given time, the real estate then subject to the Declaration (including Lots and Common Area), but does not include improvements or appurtenances thereto.

(19) "Land Records" means the land records of Loudoun County and Fairfax County, Virginia, the jurisdictions in which the Property and the Additional Real Estate are located.

(20) "Limited Common Area" means a portion of the Common Area designated by the Declarant pursuant to Section 3.9 hereof for the exclusive use of one or more but less than all of the Owners.

(21) "Lot" means a portion of the Property designated as a separate subdivided lot of record (but not including the real estate designated as Common Area and owned by the Association) on a plat of subdivision, resubdivision or consolidation or boundary line adjustment of a portion of the Property recorded among the Land Records or any plot of real estate held in separate ownership, and includes any improvements now or hereafter appurtenant to that real estate. Lot shall also mean any condominium unit created in accordance with Chapter 4.2 of Title 55 of the Code of Virginia (1950), as amended.

(a) "Civic Lot" means a Lot containing improvements primarily used for a public purpose and owned by a governmental entity, including without limitation schools, fire and rescue stations, police stations, libraries and parks. If a Civic Lot is no longer used for a public purpose or owned by a governmental entity, such Lot shall no longer be a Civic Lot and shall be treated as a Nonresidential Lot, Multifamily Residential Lot or Single Family Residential Lot, as may be appropriate, for the purposes of voting and assessments.

(b) "Multifamily Residential Lot" means any Lot upon which the improvements are primarily intended for use and occupancy as a residence, containing more than one dwelling unit, and unless otherwise specified, includes without limitation Lots containing rental apartments or elderly congregate care facilities.

(c) "Nonresidential Lot" means any Lot used primarily for nonresidential purposes, and unless otherwise specified, includes without limitation Lots containing churches, office buildings, retail uses, restaurants, commercial condominium units, day care facilities or similar uses.

(d) "Single Family Residential Lot" means any Lot upon which the improvements are primarily intended for use and occupancy as a single residence, containing only one dwelling unit, and unless otherwise specified, includes without limitation Lots containing residential condominium units, townhouses or detached or semi-detached single family homes.

(22) "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 entitled to be 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 the Covenants Committee) means that percentage with respect to votes entitled to be cast by directors (or Committee members) present at a duly held meeting of the Board (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 according to the number of votes allocated to the Lot on which each has a Mortgage.

(23) "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 an 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 and requested all rights under the Association Documents. Only for the purpose of the notice and inspection rights in Articles 13, 15 and 16 hereof, the term "Mortgagee" shall also include the Veterans Administration, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Federal National Mortgage Association, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity, if such entity is participating in purchasing, guarantying or insuring Mortgages on Lots and the Board of Directors has notice of such participation.

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

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

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

(27) "Phase" means a portion of the Property designated as provided in Section 4.3 hereof. The Phase number shall be the subdivision section number which is stated in the Supplementary Declaration, unless indicated otherwise in Supplementary Declaration recorded after January 1, 1990.

(28) "Private Streets and Roadways" means all streets, roadways, sidewalks, curbs, gutters and parking areas which are part of the Common Area, but no including streets and roadways dedicated to public use by a plat or deed of dedication.

(29) "Property" means, at any given time, the real state then subject to the Declaration (including Lots and Common Area) and includes all improvements and appurtenances thereto now or hereafter existing.

(30) "Recreational Facilities" means the swimming pools, tennis courts and associated community buildings and any other facilities owned by the Association and restricted to the use by the Class A members and other Persons purchasing memberships pursuant to the regulations and charges established by the Board of Directors but not including tot lots, playing fields, trails and community centers open to all Owners and their designees.

(31) "Reserved Common Area" means a portion of the Common Area for which the Board of Directors has granted a revocable license for exclusive use pursuant to Section 3.9 hereof.

(32) "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.

(33) "Submitted Real Estate" means the real estate designated as such in Exhibit A hereto and all real estate which is from time to time submitted to the Declaration.

(34) "Supplementary Declaration" means an amendment to the Declaration submitting Additional Real Estate to the terms of the Declaration and subjecting such Additional Real Estate to the jurisdiction of the Association, whether or not such Supplementary Declaration contains additional provisions reflecting the unique characteristics of the real estate being added, pursuant to Article 4 hereof.

(35) "Upkeep" means care, inspection, maintenance, operation, repair, repainting, remodelling (**sic**), restoration, improvement, renovation, alteration, replacement and reconstruction.

Section 1.2. Construction of Association Documents.

(a) Captions. The captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the document in which used or any provision thereof.

(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 between the Association Documents, the 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.

(e) Complementarity of Association Documents and Incorporation by Reference. The Association Documents shall be construed together and shall be deemed to incorporate one another. 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. Any provision of any Association Document referenced in any other Association Document with the intent to incorporate the provisions of the Association Document into the other Association Document, shall be deemed incorporated therein, as if set forth in full.

Section 1.3. The Association.

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

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

Upon acquiring title to a Lot, each new Owner shall immediately give written notice to the Secretary stating the name and address of such new Owner and the number or address of the Lot. If the new Owner fails to give the Secretary such notice within thirty days after acquiring title to such Lot, then reasonable record keeping costs incurred by the Association may be assessed against such Owner pursuant to Section 12.1 (a) hereof.

(c) Classes of Members; Voting Rights. The Association shall have the following classes of members:

The Class A members shall be the Owners of Single Family Residential Lots, other than the Declarant, and shall have one vote for each such Lot upon the earlier of: (1) conveyance of such Lot to an Owner other than the Declarant or a Builder or (2) three months after issuance of a certificate of occupancy or similar permit issued by the appropriate government agency with respect to the dwelling unit located upon such Lot.

The Class B members shall be the Owners of Multifamily Residential Lots, including the Declarant, and shall have one vote for each ten dwelling units located on such Lot for which a building permit or similar permit has been issued by the appropriate government agency.

The Class C members shall be the Owners of Nonresidential Lots, including the Declarant, and shall have one vote for each Lot.

The Class D members shall be the Owners of Civic Lots and shall have no vote.

The Class E member shall be the Declarant. The Declarant shall have 7,100 votes [a number equal to one and one-half times the total number of Class A votes projected when the Submitted Real Estate and Additional Real Estate are fully developed] less the number of votes held by Class A members when a vote is taken. If the Declaration is amended from time to time to include additional real estate that was not originally described on Exhibits A or B to the Declaration when the Declaration was recorded, the number of votes of the Class E member described above shall be increased by one and one-half times the number of Class A votes that would be appurtenant to any Lots created on such real estate if such real estate were fully developed under the applicable zoning regulations and submitted to the Declaration.

When all the real estate described in Exhibits A or B of the Declaration or any amendments thereto has been conveyed to Owners other than the Declarant or a Builder, the Class E membership shall expire.

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

(e) Merger or Consolidation. Upon merger or consolidation of the Association with another association formed for similar purposes, the Association's properties, rights and obligations may be transferred to the surviving or consolidated Association, or alternatively, the properties, rights and obligations of the other association may be assumed by the Association, as the surviving corporation. No such merger or consolidation shall affect any revocation, termination, change or addition to this Declaration except pursuant to Articles 15 and 16 hereof.

(f) Other Associations. Any portion of the Property may also be subjected to a declaration which grants rights with respect to a portion of the Property to a second owners association or condominium unit owners association which addresses concerns particular to that specific portion of the Property. Any obligations created under any such declaration shall be in addition to and subordinate to the obligations created hereunder.

ARTICLE 2

COMMON AREA

Section 2.1. Conveyance; Title. The Declarant shall convey the Common Area in each Phase of the Property to the Association in fee simple released from any encumbrance securing the repayment of monetary obligations incurred by the Declarant, but subject to all easements and other encumbrances then of record (including those created by this Declaration). The Common Area in Phase of development shall be conveyed to the Association before the conveyance of any Lot in such Phase to an Owner other than the

Declarant or a Builder. The Association shall accept title to any real estate or personal property offered to the Association by the Declarant.

Section 2.2. No Dedication. Nothing contained herein or in the other Association Documents shall be construed as a dedication to public use or as an assumption of responsibility for Upkeep of any Common Area by any public or municipal agency, authority or utility, nor shall it be construed to prevent the Board of Directors of the Association from permitting public access to or use of any Common Area.

Section 2.3. Transfer of Responsibility for Upkeep. When the Declarant or Builder substantially completes improvements on any portion of the Common Area and transfers responsibility for Upkeep for such portion of the Common Area to the Association, a representative of the Association appointed by the Board of Directors shall inspect such portion of the Common Area and shall report its condition to the Board of Directors within fifteen days after notice that such portion of the Common Area is ready for inspection. If the Association fails to do so within the fifteen-day period, the Association waives its rights under this section. When the Declarant or a Builder transfers the responsibility for Upkeep of any portion of the Common Area to the Association, any improvements located thereon shall be substantially complete, all work (except for such work which cannot be performed due to the weather conditions or the season of the year, which the Declarant or Builder will be obligated to complete when weather conditions permit) required by the site plan shall be either completed or bonded with the County and such portion of the Common Area and improvements on such portion of the Common Area shall be in a condition generally acceptable to the Association. If such Common Area and the improvements located thereon are not in such condition, the Association shall notify the Declarant or Builder in writing, specifying the deficiencies, whereupon the Declarant or Builder shall have sixty days to remedy the deficiencies. After such sixty-day period, the Association may perform on behalf of the Declarant or Builder and the Declarant or Builder shall promptly reimburse the Association for the reasonable costs incurred. When the Association assumes responsibility for Upkeep of a portion of the Common Area, the Association shall cooperate to obtain release of County bonds.

Section 2.4. Regulation of Common Area; Memberships in Recreational Facilities. The Board of Directors shall have the right to regulate use of the Common Area pursuant to Section 8.3 hereof and to charge fees for the use thereof; provided, however, that Owners of Lots subject to assessment for Recreational Facilities Expenses shall not be required to pay a fee for use of the Recreational Facilities during normal operating hours. The Board of Directors shall offer annual memberships in the Recreational Facilities to residential occupants of the Cascades Commercial Association, Inc., a nonprofit corporation to be established to operate the commercial portions of the "Cascades," "Potomac Lakes," "Spring Lakes" developments. The fees for and the terms of such annual memberships shall be established by the Board of Directors in its sole discretion and shall not be subject to the provisions of Section 6.2 hereof. The Board of Directors may also require a refundable or non-refundable initial contribution, as part of the fee structure for annual memberships. In addition, at least fifty annual memberships shall be available to the residents of the Arl Keith/Jefferson Knolls subdivision on a similar basis as enjoyed by the Owners of Single Family Lots. The Board may also offer annual memberships to residential or nonresidential owners and occupants of

adjacent real estate, if the Board in its sole discretion determines that the additional annual memberships will not unreasonable adversely affect availability of the Recreational Facilities to the Owners. Persons purchasing such annual memberships in the Recreational Facilities are not members of the Association and shall have no right to vote on Association matters. Such annual memberships are not assignable. The Board may also mortgage, dedicate or convey the Common Area owned in fee simple by the Association or grant easements over and through any Common Area subject to the restrictions in Section 15.4 hereof.

Section 2.5. Improvements on Common Area. After the initial improvement and conveyance of any Common Area to the Association, the Declarant may, but is not obligated to, construct additional improvements on the Common Area for the benefit of the Property, pursuant to the easements in Section 3.1 hereof. No funds collected by the Association shall be used to offset the expenses of development of the Property in accordance with the development plan approved by the appropriate governmental agencies. However, the Owners may approve funds to construct additional improvements on the Common Area in accordance with Section 7.4 hereof.

Section 2.6. Boundary Adjustments. The Board of Directors has the power at any time or times, consistent with the then existing zoning or subdivision ordinances of the applicable governmental authority, and pursuant to a recorded subdivision, resubdivision or boundary-line adjustment plat, to transfer part of the Common Area to or at the direction of the Declarant for the purpose of adjusting Lot lines or otherwise in connection with the orderly subdivision and development of the Property; provided, however, that: (i) such transfer shall not reduce the portion of the Property designated as “open space”: below the minimum level of “open space” required in the subdivisions comprising the Property at the time of the transfer; (ii) the Declarant shall transfer to the Association as “open space”, such portion of the Property as is necessary to maintain the total acreage designated as “open space” at the level existing at the time of the transfer; (iii) the appropriate governmental authorities approve such Lot line adjustments; and (iv) documents showing each such Lot line adjustments are submitted to the Veterans Administration, if the Veterans Administration is guarantying a Mortgage on a lot affected by the adjustment or the Federal Housing Administration, if the Federal Housing Administration is insuring a Mortgage on a Lot affected by the adjustment.

ARTICLE 3

EASEMENTS

Section 3.1. Development Easements.

(a) Easements Reserved to the Declarant.

(1) Easement to Facilitate Development. The Declarant hereby reserves to itself and its successors and assigns a nonexclusive blanket easement over and through the Property for all purposes reasonably related to the development and completion of improvements on the Property, including without limitation: (i) temporary slope and construction easements; (ii) drainage, erosion control, and storm and sanitary sewer easements (including the right to cut or remove trees, bushes or shrubbery, to regrade the soil

and to take any similar actions reasonably necessary; provided, however, that thereafter the Declarant shall restore the affected area as near as practicable to its original condition); (iii) easements for the storage (in a sightly manner) of reasonable supplies of building materials and equipment necessary to complete the improvements; and (iv) easements for the construction, installation and Upkeep of improvements (e.g., buildings, landscaping, street lights, signage, etc.) on the Property or reasonably necessary to serve the Property.

(2) Easement to Facilitate Sales. The Declarant hereby reserves to itself and its successors and assigns the right to: (i) use any Lots owned or leased by the Declarant, any other Lot with the written consent of the Owner thereof or any portion of the Common Area (including any improvement) as models, management offices, sales offices, a visitors' center, construction offices, customer service offices or sales office parking areas (provided, however, that the Declarant shall remain responsible for the operating expenses of any portion of the Common Area used for the foregoing purposes); (ii) place and maintain in any location on the Common Area, the common area of any owners association or the common elements of any condominium and on an Lot (for a distance of fifteen feet behind any Lot line which parallels a public or private street), street and directional signs, temporary promotional signs, plantings, street lights, entrance features, "theme area" signs, lighting, stone, wood or masonry walls or fences and other related signs and landscaping features; provided, however, that all signs shall comply with applicable governmental regulations and the Declarant shall obtain the consent of the Owner of any affected Lot or of the Covenants Committee if the Owner does not consent; and (iii) relocate or remove all or any of the above from time to time at the Declarant's sole discretion.

(3) Easement for Utilities and Related Services.

(i) A non-exclusive blanket easement is hereby granted over and through the Property for ingress, egress, installation, operation and Upkeep of the equipment for providing to any portion of the Property or the adjacent real estate or the adjacent golf course, any utilities, including without limitation water, sewer, drainage, gas, electricity, telephone and television service, whether public or private; such easement is hereby granted to any Person providing, installing or providing Upkeep for the aforesaid services. Any pipes, conduits, lines, wires, transformers and any other apparatus necessary for the provision or metering of any utility may be installed, maintained 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. Such utilities or services may be installed above ground during periods of construction if approved by the Declarant. The Person installing or providing Upkeep of the utility or service shall use such Person's best efforts to install or provide Upkeep without disturbing the Owners, complete all installation or Upkeep as promptly and expeditiously as possible, and restore the surface to substantially its original condition as soon as possible.

(ii) If the Person installing the utility or service covered by the general easement herein created requests a specific easement by separate recordable document, then the Declarant hereby reserves to itself, and its successors and assigns and also grants to the Association, the right to grant and reserve such specific easements, rights-of-way and licenses over and through: (1) the Common Area; (2) the common area of any

owners association or the common elements of any condominium; (3) any real estate conveyed to a Builder prior to subdivision into individual Lots; and (4) any Lot within twenty-five feet of any boundary line of a Nonresidential, Civic or Multifamily Residential Lot or ten feet of any boundary line of a Single Family Residential Lot for the installation and Upkeep of the equipment for providing to any portion of the Property or adjacent real estate or golf course, any utilities, including without limitation water, sewer, drainage, gas, electricity, telephone and television service, whether public or private, or for any other purpose necessary or desirable for the orderly development of the Property or for the benefit of the adjacent real estate and adjacent golf course.

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

(5) Landscaping Easement Across Lots; Community Trails. The Declarant hereby reserves to itself and its successors and assigns an easement and the right to grant and reserve easements over and through the Common Area, the common area within any planned community or the common elements of any condominium located within the Property or over and through any Lot: (i) within fifty feet from any public right-of-way or twenty-five feet from any adjacent Lot or Common Area in the case of a Nonresidential, Civic or Multifamily Lot; and (ii) within ten feet of any public right-of-way or any adjacent Lot in the case of a Single Family Residential Lot; and (iii) around the lake frontage of all lakes, for a depth of twenty feet back from the high water mark of such lake, or (iv) specifically designated as landscape and/or buffer easements on the Plat attached to a Supplementary Declaration describing real estate added to the Property or a subdivision plat. These easements shall be for the purpose of construction, installation, irrigation and maintenance of landscaping features, including without limitation plants, trees and earth berms and other earth contouring and shall include access as necessary to perform such tasks. The Owner of a Lot burdened by the easement without the permission of the Declarant, during the Declarant Control Period, or the Association thereafter. The Declarant or the Association, as appropriate, may require the Owner of the Lot to maintain the easement area located on such Owner's Lot. Maintenance of these easement areas by the Association shall be a Common Expense. These easement areas are not part of the Common Area. In addition, the Declarant may install on a Civic, Nonresidential or Multifamily Residential Lot Community Trails within the easement areas described in this paragraph or easements for trails shown on a subdivision plat without the permission or approval of the Owner of such Lot or any other location over and through the Lot with the permission of the Owner of such Lot. The Declarant hereby reserves to itself and its successors and assigns, the right to grant easements across Community Trails and grant to the Association and each Owner an easement for access across such Community Trails. The Community Trails shall be available for the use of all Owners and shall be considered part of the Common Area even though located on Lots. The Association shall maintain the Community Trails and the cost of such maintenance shall be a Common Expense.

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

(7) Access to Adjacent Roof. The Declarant hereby reserves as easement to itself, its designees and also grants to the Association, the adjacent Owner and their agents, employees or designees for access to the roof area of improvements built or to be built upon the Lots which share a common wall with the improvements on the adjacent Lot or Common Area for the purpose of inspection and Upkeep of such roof areas and which easement shall permit any Person exercising it rights under this section access at reasonable for such purposes. This easement is for the purpose of mutual protection of adjacent Owners from damage or possible damage to an improvement resulting from roof leakage from or into an adjacent improvement.

(8) Storm Water Runoff. In certain cases, the storm water runoff from the roof surfaces of the improvements built or to be built upon the Property may be directed or piped over, upon or under adjacent Lots or Common Area. In such cases, the Declarant hereby grants a perpetual easement for the continued existence of such water direction or piping over and upon the Lot or Common Area so affected, the Declarant, any affected Owner, or the Association, or any of their designees, employees or agents shall have the right, with notice and at reasonable hours, to enter upon such Lot or the Common Area for the purposes of inspection, repair, maintenance and reconstruction of such facilities.

(9) Easement to Correct Drainage. The Declarant reserves to itself and its successors and assigns an easement over, through and under the ground within each Lot and the Common Area to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any grading of the land, or to take any other similar action reasonable necessary, following which the Declarant shall restore the affected property to its original condition as near as practicable. The Declarant shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice.

(b) Additional Real Estate. To the extent real estate not owned by the Declarant is subjected to the Declaration, the owner of such real estate shall be deemed to have granted the easements and rights set forth in this section.

(c) Further Assurances. Any and all conveyances of Submitted Real Estate are subject to the reservations, easements and rights-of-way granted or reserved hereby. Upon written request of the Declarant, the Association and each Owner shall from

time to time execute, acknowledge and deliver to the Declarant such further assurances of these reservations of rights and easements as may be requested.

(d) Duration and Assignment of Development Rights. The Declarant shall be entitled to the rights, powers and easements granted under this section for so long as the Declarant or its designees are engaged in development or sales, or activities related thereto, anywhere on the Property or the Additional Real Estate. The Declarant may assign its rights under this Article to, or share such rights with, one or more other Persons, exclusively, simultaneously for consecutively with respect to the Common Area or Lots owned by such designees.

Section 3.2. Association Power to Make Dedications and Grant Easements. The rights, powers and easements reserved to the Declarant by Paragraphs 3.1 (a) (2) (ii) and (iii), (3), (5), (6) and (9) hereof are also hereby granted to the Association. These rights, powers and easements may be exercised by the Association, subject to Section 15.4 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.

(a) Association Access. A right of access over the through any portion of the Property (excluding any occupied dwelling) is hereby granted to the Association, the managing agent and any other Person authorized by the Board of Directors, 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 to Upkeep, or correct any condition which violates the Association Documents. The agents, contractors, Officers and directors of the Association may enter any portion of the Property (excluding any occupied dwelling) in order to utilize or provide for the Upkeep of the areas subject to easements granted in this Article to the Association. Each Owner shall be liable to the Association for the cost of all Upkeep performed by the Association and rendered necessary by any act, neglect, carelessness or failure to comply with the Association Documents for which such Owner is responsible pursuant to Section 12.1 hereof, and the costs incurred by the Association shall be assessed against such Owner's Lot in accordance with subsections 6.2 (d) and 12.1 (a) hereof.

(b) Declarant Access. Until the expiration of any applicable warranty period, the Declarant hereby reserves to itself and its designees a right of access over and through the Proper (including any improvement) to perform warranty-related work within the Common Area or the Lots. The Declarant may assign its rights under this Subsection to, or share such rights with, one or more other Persons, exclusively, simultaneously or consecutively.

(c) Entry into Improvements. If entry to an improvement is required by any Person pursuant to this section, a request for entry shall be made in advance and such entry shall be made, to the extent practicable, at a time reasonably convenient to the Owner (or where the improvement is used for commercial purposes, during normal business hours). In case of an emergency, however, such right of entry to any improvement shall be immediate.

Section 3.4. Limitations on Exercise of Rights and Easements.

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

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

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

(d) 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 part responsible for such damage. In either case, the cost of such repair and restoration shall be paid for by the party responsible for the damage.

Section 3.5. Easements for Encroachments. If any improvement on the Property now or hereafter encroaches on an other portion of the Property by reason of (1) the original construction thereof, (2) deviations within normal construction tolerances in the Upkeep of any improvement, or (3) the settling or shifting of any land or improvement, an easement is hereby granted to the extent of any such encroachment for the period of time the encroachment exists. The Owner of the encroaching improvement shall also have an easement for the limited purpose of Upkeep of the encroaching improvement. This easement does not relieve any Owner or any other Person from liability for such Owner's or other Person's negligence or willful misconduct.

Section 3.6. Easement for Support. To the extent that an portion of the Property now or hereafter supports or contributes to the support of any other portion of the property, the former is hereby burdened with an easement for the lateral and subjacent support of the latter.

Section 3.7. Emergency Access. An easement is hereby granted (1) to all police, fire, ambulance and other rescue personnel over and through all or an portion of the property for the lawful performance of their functions during emergencies and (2) to the Association over and through all Lots, if emergency measures are required in any Lot to reduce a hazard hereto or to any other portions of the Property. The Association is hereby authorized but not obligated to take any such measures.

Section 3.8. Easement for Use of Common Area.

(a) Use and Enjoyment. Each Owner and each Person lawfully occupying a Lot is hereby granted a non-exclusive right and easement of use and enjoyment in common with others of the Common Area (except to the extent limited by the designation of Limited Common Area or Reserved Common Area). Such right and easement of use and enjoyment 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) Vehicle and Pedestrian Access.

(1) Submitted Real Estate. Each Owner and each Person lawfully occupying a Lot is hereby granted a non-exclusive easements over all streets, walks and paths on the Common Area (including the Common Area located with Lots) for the purpose of vehicular and/or pedestrian access, ingress and egress, as appropriate, to any portion of the Property to which such Person has the right to go, subject to any Rules and regulations promulgated by the Association pursuant to Section 8.3 hereof. Any purported conveyance or other transfer of such rights and easements apart from the Lot to which such right and easement are appurtenance shall be void. Each Owner and each Person lawfully occupying a Lot is also hereby ranted 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 on 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.

(2) Additional Real Estate. During the Development Period, the declarant also reserves to itself and its successors and assigns the right to grant to each Person lawfully occupying a portion of the designated Additional Real Estate to 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 Real estate that would not otherwise have access to a public right-of-way; provided, however, that the Person benefiting from such easement agrees to bear a portion of the expenses or Upkeep for the access roads in such amounts as may be determined by the Declarant.

(c) Recreational Facilities. Each Owner paying Recreational Facilities Expense assessment and each Person purchasing a membership in the Recreational Facilities is hereby granted a non-exclusive right of use and enjoyment in common with others of such Recreational Facilities which constitute a portion of the Common Area and a right of access over and through the Common Area (other than any Limited Common Area or Reserved Common Area) to such Recreational Facilities. The rights and easement granted hereby shall be subject to all rights and powers of the Association (in addition to any easements granted or reserved in this Declaration or pursuant to other Association Documents).

(d) Limitations. The rights and easements of enjoyment created hereby 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 rights to regulate the use of the Common Area and to establish reasonable charges therefor **(sic)**, to grant easements across the Common Area, to dedicate and to mortgage the Common Area owned in fee simple by the Association.

(e) Delegation. Subject to the Rules and Regulations or such other restrictions as adopted by the Association, any Person having the right to use and enjoy the Common Area may delegate such rights to members of such Person's households, such Person's guests and tenants and to such other Persons as may be permitted by the Association; provided, however, that both the Owner and tenant of a Single Family Lot can not use the Recreational Facilities unless a separate membership is purchased.

(f) Additional Real Estate. During the Development Period the Declarant hereby reserves to itself and its successors and assigns the right to grant to each Person lawfully occupying any portion of the designated Additional Real Estate a non-exclusive right and easement of use and enjoyment in common with others of the Recreational Facilities and shared utilities and a right of access over and through the Common Area (other than any Limited Common Area or Reserved Common Area) to such facilities. The rights and easements granted by the Declarant pursuant to this subsection shall be subject to all rights and powers of the Association, when exercised in accordance with the applicable provisions of the Associated **(sic)** Documents (in addition to any easements granted or reserved in this Declaration or pursuant to other Association Documents). The Persons to whom this easement is granted or the owners association or unit owners association of any planned community or condominium located on the Additional Real Estate shall pay to the Association an annual assessment levied exclusively for a share of the costs of management and Upkeep of the Recreational Facilities or shared utilities and for services and facilities related thereto equal to the amount that would be payable if the Additional Real Estate were subject to the Declaration or in such greater amount as may be determined by the Declarant.

Section 3.9. Reserved Common Area and Limited Common Area.

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

(b) Limited Common Area. The Declarant shall have the power, for as long as the Declarant has the right to add Additional Real Estate under Section 4.1 hereof, to restrict portions of the Common Area owned in fee simple by the Association in the nature of an easement for the exclusive use of the Owners of one or more specific Lots by designating such portions of the Common Area as Limited Common Area. The Declarant may either: (1)

indicate the locations of the Limited Common Area appertaining to one or more Lots by depicting such Limited Common Area and the Lots to which it is appurtenant on a plat attached as part of a Supplementary Declaration; (2) label a portion of the Common Area as “Common Area that may be assigned as Limited Common Area” on a plat attached as an exhibit to Supplementary Declaration and thereafter assign such Limited Common Area to one or more specific Lots by unilaterally amending the Supplementary Declaration to indicate the assignment depicting the Limited Common Area being assigned and the Lots to which it is appurtenant: or (3) indicating that such Common Area is limited Common Area by a legal description in a Supplementary Declaration or an amendment thereto. The Declarant shall not, however, designate Common Area as Limited Common Area or Common Area that may be assigned as Limited Common Area after such Common Area has been conveyed to the Association.

ARTICLE 4

DEVELOPMENT OF THE PROPERTY

Section 4.1. Expansion by the Declarant.

(a) Designated Additional Real Estate. The Declarant hereby reserves an option until the twentieth anniversary of the date of recordation of this Declaration to expand the Property from time to time without the consent of any Owner or Mortgagee by submitting all or any portion of the Additional Real Estate to the provisions of this Declaration and the jurisdiction of the Association whether or not such real estate is owned by the Declarant. The option to expand may be terminated only upon the recordation by the Declarant of an instrument relinquishing such option. The Declarant reserves the unilateral right without the approval of the Owners or Mortgagees to execute and record Supplementary Declarations, subjecting any Lot to such additional covenants and restrictions as may be necessary to reflect the different characteristics of such Lot 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 such Lot to an Owner other than the Declarant without the written consent of such Owner. The Declarant may add Additional Real Estate in accordance with the procedures set forth in Section 4.3 hereof. There are no limitations on the option to expand except as set forth in this Article.

(b) Undesignated Additional Real Estate. The Declarant may unilaterally amend the description of Additional Real Estate set forth in Exhibit B hereto and the plat set forth as Exhibit C hereto to expand the land area referred to as Additional Real Estate whether or not such real estate is owned by the Declarant; provided, however, that such additional real estate is immediately adjacent to the Property or across a public right-of-way from the Property and does not increase the total acreage of the real estate originally described in Exhibits A and B by greater than twenty percent.

Section 4.2. Expansion by the Association. With the written consent of the fee simple owner (if not the Association), and any mortgagee or holder of a deed of trust on such real estate, a Sixty-seven Percent Vote of the members or the written approval of members entitled to cast sixty-seven percent of the total number of votes, and the written consent of the

Declarant during any period that the Declarant has the right to add Additional Real Estate under Section 4.1 hereof, the Association may submit any real estate 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 (“Supplementary Declarations”) submitting the real estate described therein to this Declaration and to the jurisdiction of the Association. Each Supplementary Declaration shall include a legally sufficient description of the real estate added and shall designate such real estate with the term “Phase” followed by a unique identifier so as to differentiate between each Phase of the Property. Any amendment or Supplementary Declaration may contain such additions to the provisions in this Declaration as may be necessary to reflect the different character of the Additional Real Estate and as are not inconsistent with the overall scheme of this Declaration; provided, however, that such additions shall not apply to any real estate previously submitted to this Declaration after conveyance of a Lot to an Owner other than the Declarant without the written consent of the Owner of the Lot subject to the additional provisions. Upon recordation of a Supplementary Declaration, the provisions of the Declaration shall apply to the real estate submitted thereby as if it were originally part of the Submitted Real Estate.

Section 4.4. Withdrawable Real Estate.

(a) Public Streets and Rights of Way and Other Public Purposes. Upon the dedication for public road purposes of any portion of the Property, or upon the conveyance to any public entity or authority for public road purposes of any portion of the Property, this Declaration shall no longer be applicable to the land so dedicated or conveyed. The Declarant (during the Development Period) has the unilateral right without the consent of the Owners or the Mortgagees to execute and record an amendment to the Declaration withdrawing any portion of the Property, if such real estate is dedicated or is to be dedicated to public use.

(b) Generally. The real estate in a Phase subject to a Supplementary Declaration and described on Exhibit A thereto may be withdrawn from the Declaration and the Supplementary Declaration terminated with the approval of the Owners entitled to cast sixty-seven percent of the total number of votes appurtenant to Lots in such Phase and sixty-seven percent of the Mortgagees holding Mortgages on Lots within such Phase, as well as the approvals required by Section 15.4 hereof regarding conveyance of the Common Area, if any.

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: (1) to complete improvements on the Property; (2) to maintain models, management offices, construction offices, sales offices, customer service offices and signs advertising the Property; (3) to use easements over and

through the Property for the purpose of making improvements within the Property; (4) to exercise the rights and votes of the Class E member of the Association; (5) to remove and replace any director elected by the Class E member; (6) to make unilateral amendments to the Association Documents as provided in Sections 3.9, 4.1, 4.4 and 15.1 hereof; (7) to add Additional Real Estate; (8) to withdraw Submitted Real Estate pursuant to Section 4.4 hereof; and (9) to exercise any other rights given to the Declarant.

Section 5.2. Transfer of Special Declarant Rights.

(a) The Declarant may transfer special declarant rights created or reserved under the Association Documents to any Person acquiring Lots or Additional Real Estate by an instrument evidencing the transfer recorded in the Land Records. The instrument shall not be effective unless executed by the transferor and transferee; provided, however, that a Person acquiring Lots or Additional Real Estate pursuant to Subsection 5.2 (c) may unilaterally execute an instrument to acquire some or all of the special declarant rights. A partial transfer of special declarant rights does not prevent the transferor declarant from continuing to exercise special declarant rights with respect to the real estate retained by such declarant. The instrument providing for partial transfer of special declarant rights shall allocate rights between the transferor and the transferee. If at any time the Declarant ceases to exist and has not made an assignment of the special declarant rights, a successor may be appointed by an amendment to the Declaration made pursuant to section 15.2 hereof.

(b) Upon transfer of any special declarant right, the liability of a transferor declarant is as follows:

(1) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations the transferor has undertaken or which are imposed upon the transferor by law.

(2) If the successor to any special declarant right is an Affiliate of a declarant (as defined in subsection (g)) **(sic)**, the transferor is jointly and severally liable with the successor for any obligation or liability of the successor which relates to the Property.

(3) If a transferor retains any special declarant rights, but transfers other special declarant rights to a successor who is not an Affiliate of the declarant, the transferor remains liable for any obligations and liabilities relating to the retained special declarant rights imposed on a declarant by the Association Documents arising after the transfer.

(4) A transferor has no liability for any act or omission, or any breach of a contractual or warranty obligation arising from the exercise of a special declarant right by a successor declarant who is not a Affiliate of the transferor.

(c) Unless otherwise provided in a Mortgage, in case of foreclosure of a Mortgage (or deed in lieu of foreclosure), tax sale, judicial sale, sale by a trustee under a deed of trust, or sale under the Bankruptcy Code or receivership proceedings, of any Lots or Additional Real Estate owned by a declarant, a Person acquiring title to all the Lots or

Additional Real Estate being foreclosed or sold, but only upon such Person's request, succeeds to all special declarant rights related to such Lots or Additional Real Estate or only to any rights reserved in the Association Documents to maintain models, management offices, construction offices, sales offices, customer service offices and signs advertising the Property. The judgment, instrument conveying title or other instrument recorded in the Land Records shall provide for transfer of only the special declarant rights requested.

(d) Upon foreclosure (or deed in lieu of foreclosure), tax sale, judicial sale, sale by a trustee under a deed of trust, or sale under the Bankruptcy Code or receivership proceedings, of all Lots and Additional Real Estate owned by a declarant (1) the declarant ceases to have any special declarant rights, and (2) the Declarant Control Period terminates unless the judgment or an instrument recorded among the Land Records provides for transfer of special declarant rights held by that declarant to a successor declarant.

(e) The liabilities and obligations of Persons who succeed to special declarant rights are as follows:

(1) A successor to any special declarant right who is an Affiliate of a declarant is subject to all obligations and liabilities imposed on the transferor by the Association Documents.

(2) A successor to any special declarant right, other than a successor described in paragraphs (3) or (4) of this subsection or a successor who is an Affiliate of a declarant, is subject to all obligations and liabilities imposed by the Association Documents: (A) on a declarant which relate to such declarant's exercise or non-exercise of special declarant rights; or (B) on the transferor, other than: (i) misrepresentations by any previous declarant; (ii) warranty obligations on improvements made by any previous declarant, or made before the Association was created (if any); (iii) breach of any fiduciary obligation by any previous declarant or such declarant's appointees to the Board of Directors; or (iv) any liability or obligation imposed on the transferor as a result of the transferor's acts or omissions after the transfer.

(3) A successor to only a right reserved in the Association Documents to maintain models, sales offices, customer service offices and signs, if such successor is not an Affiliate of a declarant, may not exercise any other special declarant right, and is not subject to any liability or obligation as a declarant.

(4) A successor to all special declarant rights held by a transferor who succeeded to those rights pursuant to foreclosure, a deed in lieu of foreclosure or a judgment or instrument conveying title under subsection (c), may declare the intention in an instrument recorded in the Land Records to hold those rights solely for transfer to another Person. Thereafter, until transferring all special declarant rights to any Person acquiring title to any Lots owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than any right held by the transferor to vote as the Class E member in accordance with the provisions of the Association Documents for the duration of any Declarant Control Period, and any attempted exercise of those rights is void. So long as a successor declarant may not exercise special

declarant rights under this subsection, such successor is not subject to any liability or obligation as a declarant.

(f) Nothing in this Article subjects any successor to a special declarant right to any claim against or other obligation of a transferor declarant, other than claims and obligations arising under the Association Documents.

(g) For the purpose of this section, "Affiliate" or "Affiliate of a declarant" means any Person who controls, is controlled by, or is under common control with a declarant. A Person controls a declarant if the Person (i) is a general partner, officer, director or employer of the declarant, (ii) directly or indirectly or acting in concert with one or more persons or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing more than twenty percent of the voting interests in the declarant, (iii) controls in any manner the election of a majority of the directors of the declarant, or (iv) has contributed more than twenty percent of the capital of the declarant. A Person is controlled by a declarant if the declarant (i) is a general partner, officer, director or employer of the Person, (ii) directly or indirectly or acting in concert with one or more other Persons or through one or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing more than twenty percent of the voting interest in the Person, (iii) controls in any manner the election of a majority of the directors of the Person, or (iv) has contributed more than twenty percent of the capital of the Person. Control does not exist if the powers described in this paragraph are held solely as security for an obligation and are not exercised.

Section 5.3. No Obligations. Nothing contained in the Association Documents shall impose upon the Declarant or its successors or assigns any obligation of any nature to build, construct, renovate or provide any improvements.

PART TWO

ARTICLE 6

COMMON EXPENSES AND ASSESSMENTS

Section 6.1. Determination of Common Expenses and Assessments.

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

(b) Preparation and Approval of Budget.

(1) At least fifty days before the beginning of each fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary for the ensuing fiscal year to pay the cost of management and Upkeep of the Common Area and, to the extent provided in the Association Documents, Upkeep of the Lots, and the cost of other expenses that may be declared to be Common Expenses by the Association Documents or by a resolution of the Board of Directors, including without limitation any 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 replacements. At least forty days before the beginning of each fiscal year, the Board of Directors shall make available a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses and the fire and rescue squad fees. Such budget shall constitute the basis for determining the assessment against each Lot.

(3) The budget shall reflect the separate assessment of Limited Common Expenses, including without limitation certain expends (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.

(4) The budget shall reflect the separate assessment of Recreational Facilities Expenses which include the cost of management and Upkeep of and insurance for the recreational Facilities including such amounts as the Board of Directors may determine to be necessary to create reserves for repair and replacement of the Recreational Facilities.

(c) Installment Payments and Due Dates. Any and all such assessments and other charges shall be a lien against each Owner's Lot as provided in Section 12.2 hereof. On or before the first day of each fiscal year, and the first day of each succeeding payment period in such fiscal year, each Owner shall pay to such Person at such place as the Board of Directors may direct that installment of the annual assessment which is due during such period. The Board of Directors shall establish one or more payment periods and the due dates for each such payment in each fiscal year; provided, however, that payments shall be due not less than quarterly or more frequently than monthly unless specifically provided otherwise herein. All sums collected by the Board of Directors with respect to assessments against the Lots or from any other source may be commingled into a single fund.

(d) Initial Budget and Initial Assessment.

(1) Upon taking office, the first Board of Directors shall determine the budget, as defined in this section, for the period commencing thirty days after taking office and ending on the last day of the fiscal year in which such directors take office.

(2) 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 later of: (i) the date of recordation of the Declaration or (ii) the date a Lot becomes subject to assessment pursuant to Section 6.2 (a) (1) 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. Such assessment shall be levied and become a lien as set forth in Section 12.2 hereof.

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

(4) Each initial purchaser of a Lot other than the Declarant or a Builder shall pay at settlement an "initial assessment" equal to Seventy-five Dollars (\$75.00).

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

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

Section 6.2. Assessments and Common Expenses.

(a) Rate of Assessment and Payment.

(1) General Common Expenses Assessment. Subject to the provisions of Subsections 6.2 (a) (2), (3), and (4) hereof, and Section 6.3 hereof, the total amount of the estimated funds required for: (i) the management and Upkeep of the Property; (ii) services to the Lots and Owners; or (iii) to meet obligations of the Association established pursuant to this Declaration or other shared maintenance agreements shall be assessed annually or levied as an additional assessment. The Board of Directors shall establish an annual assessment rate for each dwelling unit located on a Single Family Residential Lot, each Nonresidential Lot and every ten dwelling units or fraction thereof located on a Multifamily Residential Lot, to be levied against all Lots subject to assessment hereunder. A dwelling unit located on a Multifamily Residential Lot shall not be counted for assessment purposes until initially occupied.

(2) Limited Common Expense Assessment. Limited Common Expenses may be assessed only against the Lots benefited in proportion to their relative general 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 to be paid by the Owners of Additional Real Estate being submitted to the Declaration thereby.

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

(iii) Any expenses incurred in the Upkeep of or the maintenance of reserves for the Upkeep and replacement of “pipestem” drives or similar common drives serving a limited number of Lots shall be assessed only against the Lots served by such drives.

(iv) Any expenses incurred in the Upkeep of or the maintenance of Reserves for the Upkeep of Limited Common Area may be assessed only against the Lots served by such Limited Common Area.

Any service to individual Lots based on usage.

(vi) Any expenses incurred by the Association for trash pick-up or similar services, management services or maintenance and reserves for Limited Common Area, the costs of which varies significantly depending on housing type (i.e., detached single family, townhouse, apartment) may be assessed only against Lots containing such housing type.

(3) Recreational Facilities Assessment.

The Board of Directors shall assess each Single Family Residential Lot (except Single Family Residential lots consisting of condominium units, unless otherwise provided) which is subject to assessment pursuant to Subsection 6.2 (a) (1) hereof for Recreational Facilities Expenses in an equal amount to be determined by the Board of Directors; provided, however, that such amount does not exceed the maximum Recreational Facilities Expenses assessment set forth in 6.2 (a) (4) hereof. The Board of Directors shall assess a Multifamily Residential Lot or a Single Family Residential Lot consisting of a condominium unit for Recreational Facilities Expenses only if the Supplementary Declaration submitting the Additional Real Estate containing such Multifamily Lot or condominium unit states that the residents of such Lot are entitled to use the Recreational Facilities and that the Lot is subject to assessment for Recreational Facilities Expenses or the Owner of the Multifamily Residential Lot or condominium unit requests membership in the Recreational Facilities Expenses. The Owner of a Multifamily Residential Lot shall pay the same amount per dwelling unit for Recreational Facilities Expenses as the Owner of a Single Family Residential Lot. Once a Class B member requests membership in the Recreational Facilities, however, such Class B member cannot withdraw from membership in the Recreational Facilities without the approval of the Board of Directors.

(4) Limitations on Increases.

(A) Maximum Assessments. For the first fiscal year following recordation of this Amended and Restated Declaration, the maximum annual assessment against Single Family Residential Lots for Common Expenses, excluding Limited Common Expenses and Recreational Facilities Expenses, shall be Three Hundred Sixty Dollars (\$360.00) per dwelling unit. Multifamily Residential Lots shall be assessed at ten percent of the annual assessment rate for Common Expenses per dwelling unit established for Single Family Residential as set forth in Section 6.2 (a) (1) hereof. The maximum annual assessment against Single Family Residential Lots containing detached houses for Limited Common Expenses shall be Three Hundred Eighty-five Dollars (\$385.00) or such greater amount or additional amount as set forth in the Supplementary Declaration adding the Lots paying such Limited Common Expense. The maximum annual assessment against Single Family Residential Lots containing attached houses (townhouses) for Limited Common Expenses shall be Three Hundred Eighty-five Dollars (\$385.00) or such greater amount or additional amount as set forth in the Supplementary Declaration adding the Lots paying such Limited Common Expense. The maximum annual assessment for Limited Common Expenses which may be levied against any other type of Lot shall be set forth in the Supplementary Declaration adding such Lot. For the first fiscal year following recordation of this Amended and Restated Declaration, the maximum annual assessment against Single Family Residential Lots and Multifamily Residential Lots for Recreational Facilities Expenses shall be Two Hundred Dollars (\$200,00) per dwelling unit.

(B) Increases in Maximum Assessment.

(1) Each fiscal year the maximum annual assessment for Common Expenses, Limited Common Expenses or Recreational Facilities Expenses set forth above or in Supplementary Declarations 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 (1982-1984=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 and casualty and other insurance premiums 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 (1982-1984=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.

The Board of Directors may determine not to increase the maximum assessments set forth in the Declaration or Supplementary Declarations thereto to the full extent of the automatic increase provided by this subsection. In such case, the Board of Directors may determine to increase the maximum assessment by any lesser amount.

(2) The Board of Directors may determine to set the actual annual assessments for Common Expenses, Limited Common Expenses or Recreational Facilities Expenses at an amount less than the applicable maximum for any fiscal year. The Board of Directors may not levy an annual assessment or an additional assessment for Common Expenses, Limited Common Expenses or Recreational Facilities Expenses which in the aggregate will exceed the applicable maximum assessment per dwelling unit for such fiscal year unless such annual assessment or additional assessment is approved by the members obligated to pay such assessment by at least a Majority Vote of such members or the written approval of members entitled to cast more than fifty percent of the total number of votes of such members.

(b) Lots Added During the Fiscal Year. Whenever any Additional Real Estate is added, the assessment against each Lot being added shall be calculated in the same manner and 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 later of: (i) the date the Lot becomes subject to assessment pursuant to section 6.2 (a) (1) hereof or (ii) the date such Lot was added to the Property 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.

(c) Additional Assessments. The Board of Directors may levy additional assessments on the Lots, subject to assessment under Subsection 6.2 (a) (1) hereof; provided, however, that such additional assessment when added to the annual assessment for Common Expenses, Limited Common Expenses, or Recreational Facilities Expenses, as appropriate, shall not exceed the applicable maximum annual assessment, unless approved pursuant to Subsection 6.2 (a) (4) hereof. The Board of Directors shall give notice of any additional assessment to the Owners against whose Lots the assessment will be levied specifying the amount and reasons therefor (**sic**), and such assessment shall, unless otherwise specified in the notice, be payable in full with the next periodic installment which is due more than ten days after the date of such notice or in not more than six equal periodic installments, as the Board may determine. Such assessment shall be a lien as set forth in Section 12.2 hereof.

(d) Individual Assessments. The Board of Directors may assess an Owner's Lot individually: (i) for the amount of any costs incurred by the Association pursuant to Section 7.2 (a) hereof in performing Upkeep that the Owner failed to perform as imposed by that section; (ii) for the amount of any charges imposed on that Owner pursuant to Section 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 (a) 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 maximums set forth in Subsection 6.2 (a) (4) hereof.

(e) Optional Expenses. Upon request, the Association may provide certain services to Owners (including the Declarant) on a contractual basis pursuant to Section

7.8; provided, however, that the charge for such services shall be assessed against such Owner's Lots in accordance with the terms of the contract.

(f) Fire and Rescue Squad Fee. Each Lot located in Loudoun County, other than a Civic Lot or a Nonresidential Lot containing a church, shall be assessed for a contribution to Loudoun County for distribution to the entities providing fire and rescue services to the Property, for so long as such entities are operated on a volunteer basis and are not a completely County funded service. Such contribution shall be \$0.05 for each square foot of nonresidential floor area constructed on each Nonresidential Lot or sixty dollars for each Residential Lot or such other amount as the County shall determine in accordance with the proffers applicable to the Property. The contribution shall be divided equally between the Loudoun County fire and rescue companies. The contribution shall be payable to the Treasurer of Loudoun County or such other Person or Persons as directed by the Board of Supervisors of Loudoun County, Virginia.

(g) 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 and may be deposited with any financial institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. Reserves for items serving only certain Lots or the Recreational Facilities shall be accounted for and funded solely by the Owners of Lots served (as a Limited Common Expense or a Recreational Facilities Expense, as appropriate). As to each separate reserve account:

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

(2) If the regular annual maintenance extends the useful life of components so that reserves are excessive, the reserves shall be adjusted by reallocation to other budget items, if appropriate, or by distribution to each Owner (including the Declarant) in proportion to the percentage (if any) of assessments paid by such Owner.

(3) If the reserves are inadequate to meet actual expenditures for any reason (including non-payment of any Owner's assessment) then the Board of Directors shall, in accordance with Section 6.2 (c) hereof, levy an additional assessment against the Lots.

(h) 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, be placed in

reserve accounts, be placed in a special account to be expended solely for the general welfare of the Owners, be credited to the next periodic installments due from Owners under the current fiscal year's budget, until exhausted, or distributed to each Owner (including the Declarant) in proportion to the percentage (if any) of assessments paid by such Owner; provided, however, that during the Development Period the cash may be used to pay any Common Expenses or Limited Common Expenses as needed, even though surplus must be credited to the appropriate surplus account.

(2) Unless the budget for the succeeding fiscal year is adjusted to amortize the deficit during such fiscal year, any net shortage in expenses (including reserves) shall be assessed promptly against the Owners as an additional assessment in accordance with Section 6.2 (c) hereof.

Section 6.3. Assessment Against Lots Owned by the Declarant or a Builder; Exemptions.

(a) Special One-time Assessment for Declarant and Builders. The Declarant shall pay: (1) Seventy-five Dollars (\$75.00) with respect to each recorded Single Family Residential Lot; and (2) Seventy-five Dollars (\$75.00) per dwelling unit permitted to be constructed under applicable zoning regulations with respect to each recorded Multifamily Residential Lot. A Builder or other Owner acquiring a Lot from the Declarant shall pay: (1) Seventy-five Dollars (\$75.00) with respect to each recorded Single Family Residential Lot; and (2) Seventy-five Dollars (\$75.00) per dwelling unit permitted to be constructed under applicable zoning regulations with respect to each recorded Multifamily Lot. The above sums shall be due upon the later of: (1) the date of conveyance of the Lot by the Declarant; (2) the date the subdivision plat creating the Lot is recorded; or (3) the date such Lot was added to the Property.

(b) Exemptions. Civic Lots, the Common Area, common area within an owners association or common elements within a condominium 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; provided, however, that no Lot actually used for residential or nonresidential purposes shall be exempt. Unoccupied dwelling units located on Residential Lots (dwelling units which have never been occupied) owned by the Declarant or a Builder shall be exempt from the assessment for Common Expenses and the lien created hereby for so long as: (i) the Declarant or Builder performs or pays the costs associated with Upkeep of such unoccupied dwelling units owned by the Declarant or Builder; (ii) the Declarant and Builder pay the one time assessment levied pursuant o Subsection 6.3 (a) hereof; and (iii) during the Declarant Control Period, the Declarant pays the full amount, if any, by which the operating expenses of the Association exceed the total budgeted income of the Association (provided, however, that 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 and shall not exceed the amount the Declarant would be obligated to pay if Lots owned by the Declarant or Builders were assessed in accordance with Section 6.2 (a) hereof). The Declarant's obligation under this subsection (b) shall be a lien against the Land owned by the Declarant. The exemption does not apply to Lots used for model home purposes.

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 (**sic**), 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 Common Expenses, including Limited Common Expenses and Recreational Facilities Expenses, as may be assessed against such Lot and other charges assessed by the Board of Directors pursuant to the provisions of this Declaration. Each Owner shall be personally liable for all assessments against such Owner's Lot. No Owner may be exempted from liability for the assessment for Common Expenses by reason of waiver of the use or enjoyment of any of the Common Area or by abandonment of the Lot. 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 in fee by such Owner of such Lot. Prior to or at the time of any such conveyance, all liens, unpaid charges and assessments shall be paid in full and discharged. The purchaser of a Lot shall be jointly and severally liable with the selling Owner or all unpaid assessments against the latter for the proportionate share of the Common Expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Owner amounts paid by the purchaser therefor (**sic**); provided, however, that any such purchaser may rely on a Statement of Common Expenses obtained pursuant to Section 6.6 herein.

(b) Mortgage 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, 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 Person comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Lots including the mortgaged Lot assessed after such Person takes 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 on 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 Assessments. Any assessment or installment thereof not paid within ten days after the due date shall be delinquent and shall accrue a late charge in the amount of ten dollars in the case of Single Family Residential Lots and Nonresidential Lots and five percent of the amount due in the case of Multifamily Residential Lots, or such other amounts 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 for Common Expenses due from any Owner or member 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 (**sic**), with a written statement of all unpaid assessments for Common Expenses 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" attached as Exhibit A to

the Bylaws or otherwise. No contract purchaser, Mortgagee or purchaser from a Mortgagee requesting such a statement shall be liable for, nor shall the Lot conveyed to such Person relying on such statement be subject to a lien for, any unpaid assessments due prior to the date of such statement in excess of the amount set forth on such statement; provided, however, that this section shall not be interpreted to release any Person from 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, in an amount not to exceed any maximum established by the Virginia Property Owners' Association Act.

Section 6.7. Assessment from Lots Subject to Subassociation. With respect to assessments provided for herein which are payable by Owners of Lots which are also subject to the jurisdiction of an owners association or condominium unit owners association located within the Property, the Board of Directors may elect by resolution to collect such assessments directly from the owners association or condominium which also governs the Lots. In such event, payment of such assessments shall be an obligation of such owners association or condominium unit owners association, but each Owner shall remain personally liable for the assessment against such Owner's Lot and each such Lot shall remain subject to a lien for assessments. If the Board elects to collect assessments from such owners association or condominium unit owners association, then all notices regarding assessments against such Lots shall be sent to such association, but notices of any intention to lien an Owner's Lot shall also be sent to the Owner of the Lot. This section shall not limit or waive any of the Association's remedies for non-payment or assessments.

ARTICLE 7

OPERATION OF THE PROPERTY

Section 7.1. Upkeep of Common Area. (a) General. The Association shall be responsible for the management and Upkeep of all of the Common Area, including Limited Common Area, Reserved Common Area and Recreational Facilities, the cost of which shall be assessed against all Lots as a Common Expense, Limited Common Expense or Recreational Facilities Expense, as appropriate. All facilities located on the Common Area including without limitation ball parks, tot lots, bus shelters, etc. shall also be maintained by the Association. The Association shall be responsible for the Upkeep of certain landscaped areas along the boundaries of certain Lots as determined by the Board of Directors the cost of which shall be a Common Expense. The Association shall also be responsible for Upkeep of the Community Trails which may run over and through a Lot, the cost of which shall be a Common Expense. The Association shall not have any responsibility for the Upkeep of any Lot except for those responsibilities and duties specifically enumerated within the Association Documents. Notwithstanding the general provisions for maintenance of Common Area set forth in this section, specific maintenance responsibilities and allocations of maintenance costs shall be determined by any provisions therefor (**sic**) indicated in either a Supplementary Declaration or plat recorded with such Supplementary Declaration, subjecting such Common Area to the Declaration. If the Board of Directors determines that certain Upkeep was necessitated by the negligence, misuse or neglect 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 Section 12.1 (a) hereof. Further, the Board may determine that all or a part of the Upkeep of an portion of the Common Area designated as Reserved Common Area or Limited Common Area shall be performed by the Person having the exclusive right to use the same. The Board of Directors shall establish the standard for Upkeep of the Common Area in its sole discretion.

(b) Storm Water Management. The Declarant may construct or create easements, improvements and facilities for storm water management control. Such facilities shall not be used for any purposes other than storm water management, and the Association shall post signs prohibiting swimming, wading, skating or other similar uses of any storm water retention ponds. The Declarant shall provide Upkeep for any storm water retention ponds and all easements, improvements and facilities for storm water management at its sole expense until the earlier of: (i) release from the County bond or (ii) the end of the Declarant Control Period. Thereafter, the Upkeep of the storm water drainage easements, storm water retention ponds and related improvements and facilities for storm water management shall be an expense of the Association. 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.

(c) Entrance Features and Rights-of-Ways. The Board of Directors may also determine to provide for Upkeep of the areas located within the center island and along the road frontage (including public right-of-ways to the extent not maintained by the appropriate governmental authorities) of all public and private roads within the Property or adjacent to the Property, such Upkeep to include entrance features, sidewalks, project signage, bus shelters, pedestrian underpasses, trails and landscaping.

(d) Shared Maintenance. The Board of Directors may enter into shared maintenance agreements to maintain areas whether or not located within the Property, including but not limited to stormwater (**sic**) management easements and facilities, landscaping, entrance features (including public rights-of-way to extent not maintained by the appropriate governmental authorities).

Section 7.2. Upkeep of Lots.

(a) Individual Upkeep.

(1) 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 except as may be otherwise provided in a Supplementary Declaration. Each Owner shall perform this responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. If any Owner shall fail to keep such Owner's Lot in as good repair and condition as when acquired (normal

wear and tear excepted) and in a neat and orderly condition, consistent with such Rules and Regulations as the Board of Directors may promulgate, then the Board may, pursuant to resolution, give notice to that Owner of the condition complained of, specifying generally the action to be taken to rectify that condition. If the Owner fails to take the actions specified by the Board or to otherwise rectify the condition within thirty days after the date other notice is given, or such other period as may be specified in the notice, if the circumstances warrant a different time period, the Board of Directors shall have the right, pursuant to Section 3.3 and Subsection 12.1 (e) 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 that condition shall be assessed against such Owner's Lot in accordance with Section 12.1 hereof. If such Owner fails to reimburse the Association within thirty days after receipt of a statement for such expenses from the Board, then the indebtedness shall constitute a lien as provided for in Section 12.2 hereof. The Owner may contract with a third party, including the Association to the extent provided for in Section 7.8 hereof, to perform the Owner's responsibility for Upkeep under this section.

(b) Common Area in Subassociations. The owners association of any commercial or residential planned community or the condominium unit owners association of any condominium located within the Property shall keep the common area of the planned community or the common elements of the condominium, as applicable, in good order, condition and repair and in a clean and sanitary condition (in keeping with the general character of the Property) including without limitation all necessary grounds maintenance. The owners association or condominium unit owners association may contract with third parties, including the Association to the extent provided in Section 7.8 hereof, to provide the necessary Upkeep and/or management services to perform its responsibilities under this section. If such owners association or such condominium unit owners association shall fail to keep the portion of the Property for which such association has maintenance responsibility 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 may, pursuant to resolution, give notice to that association of the condition complained of, specifying generally the action to be taken to rectify the condition. If the owners association or the condominium unit owners association fails to take the actions specified by the Board 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 time period, the Board of Directors shall have the right pursuant to Section 3.3 and Section 12.1 (e) hereof and any resolutions adopted by the Board of Directors, to rectify the condition by taking such action (or by causing such action to be taken) as was specified in the notice. The costs incurred shall be charged against such association.

Section 7.3. Manner of Repaired and Replacement. All repairs and replacement 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 to Upkeep) costing in excess of five percent in the aggregate of the total annual assessment for Common Expenses for that fiscal year during any period of twelve consecutive months, the making of such additions, alterations or improvements requires a Majority Vote of the members or the written approval of members entitled to cast more than fifty percent of the total number of votes in the Association and the Board of Directors shall assess all Owners benefitted (**sic**) for the cost thereof as a Common Expense, Limited Common Expense or Recreational Facilities Expenses depending on the nature of the improvement. Any capital additions, alterations or improvements (other than for Upkeep) costing in the aggregate five percent or less of the total annual assessment for Common Expenses for the fiscal year during any period of twelve consecutive months may be made by the Board of Directors without approval of the members and the cost thereof shall constitute a Common Expense, Limited Common Expense or Recreational Facilities Expense depending on the nature of the improvements. Any assessments resulting from expenditures authorized under this section must also comply with Paragraph 6.2 (a) (4) hereof, which imposes limitations on increases in assessments above a specified maximum. If member approval is required to increase the applicable maximum assessment, such approval may be obtained simultaneously with the vote required by this section.

Section 7.5. Additions, Alterations or Improvements by the Owners.

(a) Approval.

(1) No Person shall make any addition, alteration or improvement in or to any Lot or any portion of the Property (other than for normal Upkeep or natural landscaping and not including areas within a building visible from the exterior only because of the transparency of glass doors, walls or windows) which is visible from the exterior of the Lot or such portion of the Property, without the prior written consent of the Covenants Committee. No Person shall paint, affix a sign not permitted by the Rules and Regulations to or alter the exterior of any improvement, including the doors and windows, if such exterior is visible from another Lot or Common Area, without the prior written consent of the Covenants Committee. Approval by the Covenants Committee or the Board of Directors shall not relieve a (**sic**) Owner from any obligation to obtain required governmental permits. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement to any Lot requires execution by the association, and provided consent has been given by the Board of Directors or the Covenants Committee, as appropriate, then the application shall be executed on behalf of the Association by an Officer only, without incurring any liability on the part of the Board of Directors, the Association, the Board of Directors or the Covenants Committee or any of them to any contactor, subcontractor or materialman on account of such addition, alteration or improvement, or to any Person having a claim for personal injury or property damage arising therefrom.

(2) With respect to Lots which are also subject to the jurisdiction of an owners association or condominium unit owners association, the covenants committee, board of directors or similar body of such owners association or condominium unit owners association may review all applications for architectural review on behalf of the Covenants Committee, if the Board of Directors so determines. Owners of such Lots must comply with

the guidelines established by the Covenants Committee and the Rules and Regulations for the Property, as well as any guidelines or rules and regulations established by the owners association or condominium unit owners association with jurisdiction over such Lot.

(3) Subject to the approval of any Mortgagee of the affected Lots, the Board of Directors, any Owner affected, and the appropriate governmental entity any Lot may be subdivided or altered so as to relocate the boundaries between such Lot and any adjoining Lot. Additionally, in the case of Lots which are also part of a planned community or condominium, any subdivision or relocation of boundaries must be in compliance with the documents governing the condominium or the planned community as well as this section. Otherwise, no Lot may be subdivided nor may any Lot's boundaries be relocated except by or as approved by the Declarant. No portion less than all of any Lot shall be conveyed or transferred by an Owner (other than the Declarant) without the prior written approval of the Declarant or the Board of Directors. However, this section is not intended to require the approval of the Board of Directors or Covenants Committee to grant deeds of correction, deeds to resolve boundary line disputes and similar corrective instruments or to grant any easement, right-of-way or license to any municipality, political subdivision, public utility or other public body or authority, or to the Association or the Declarant for any purpose.

(4) During the Development Period, the provisions of this section shall not apply to Lots owned by the Declarant or to the improvements on Lots owned by Builders if such improvements have been approved by the Declarant. The Declarant shall have the right to make or permit alterations or subdivisions without the consent of the Board of Directors or the Covenants Committee and an authorized Officer shall execute any such application required.

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

(b) Limitations.

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

(2) Any Person obtaining approval of the Covenants Committee or appropriate subcommittee thereof shall not deviate materially from the plans and specifications approved without the prior written consent of the Committee. Such Person shall notify the Committee when the alterations or improvements are complete. Approval of any particular

plans and specifications or design does not waive the right of the Committee to disapprove such plans and specifications, or any elements or features thereof, if such plans and specifications are subsequently submitted for use in any other instance or by any other Person.

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

(d) New Construction. To the extent initial construction is subject to the review of the New Construction Subcommittee pursuant to Section 9.4 hereof, all reference in this section to the Covenants Committee shall be deemed to refer to the New Construction Subcommittee.

Section 7.6. Parking and Transportation Services.

(a) Right to Use Parking Areas. Until assigned as Limited Common Area or Reserved Common Area, all parking spaces located in the Common Area shall be used by the Owners for self-service parking purposes on a “first come, first served” basis, except as the Board of Directors may otherwise determine or as may be otherwise stated with respect to Additional Real Estate in a Supplementary Declaration adding such Additional Real Estate. The Association will not unreasonably interfere with the right of any Owner, or such Owner’s tenant or such Owner’s (or tenant’s) household or company, guests, employees, customers, agents or invitees to use the Private Streets and Roadways for both vehicular and pedestrian ingress and egress to and from such Owner’s Lot. Unless otherwise specifically designated in this Declaration or a Supplementary Declaration or any other agreement, the parking areas and driveways on each Owner’s Lot are to be used and maintained solely by such Owner and such Owner’s designees.

(b) Limitations. Each of the parking spaces located on the Common Area or on Limited Common Area but not assigned to a specific Lot shall be subject to designation as Reserved Common Area appurtenant to certain designated Lots or reserved for commuter parking pursuant to the reservation set forth in Section 3.9 (a) hereof. The direction of travel on private streets and in parking areas shall not be changed without the approval of the Loudoun County Zoning Administrator and the Fire Marshall. For so long as the Declarant or its designees are engaged in development or sales activities, or activities related thereto, anywhere on the Property or the Additional Real Estate, the Declarant or its designees may

use any parking spaces located on the Common Area for sales purposes or may reserve a maximum of fifty parking spaces solely for such use.

(c) Transportation Systems Management Plan. The Board of Directors may perform such acts as are reasonably necessary in the Board's discretion to facilitate any transportation management requirements imposed by governmental authorities or as may be otherwise determined by the Board of Directors to be desirable to enhance the flow of traffic through the Property. The Board may take such actions as it determines appropriate including without limitation hiring additional staff, appointing special committees, encouraging and/or coordinating carpooling or van-pooling, encouraging flexible work hour schedules from all Owners of Nonresidential Lots, building and maintaining bus stop shelters, building and maintaining commuter parking lots and entering into agreements with other owners associations, governmental agencies or similar entities. Such actions taken by the Association shall be a Common Expense or a Limited Common Expense, as may be determined by the Board of Directors. The Board of Directors may not revise the parking regulations or the directional flow of traffic on private streets and roadways without notifying the Loudoun County Zoning Administrator and Fire Marshall's office.

Section 7.7. Disclaimer of Liability.

(a) Bailee. The Board of Directors, the Association, any Owner and the Declarant shall not be considered a bailee of any personal property stored or placed on the Common Area (including property located in vehicles parked on the Common Area), whether or not exclusive possession of the particular area is given to an Owner for parking or otherwise, and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

(b) Operational. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense, or for personal injury or property damage caused by the elements or by any Owner, or any other Person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the Property or from any pipe, drain, conduit, appliance or equipment, or any secondary or consequential damages of any type. The Association shall not be liable to any Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any portion of the Property. No diminution, offset or abatement of any assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Property by the Association or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any governmental authority. This section is not intended nor shall it be construed to relieve any insurer of its contractual obligations under any policy benefiting the Association or an Owner.

Section 7.8. Services to Owners and Subassociations. The Association may, in the sole discretion of the Board of Directors, provide additional services to Owners (including the Declarant), and to any owners association or condominium unit owners association located within the Property on a contractual basis at the request of such Persons. The charges for

such services shall be assessed against the Lot of the Owner or charged to the owners association or condominium unit owners association.

Services which may be provided to an owners association or condominium unit owners association include without limitation: (i) the Upkeep of any common area owned by an owners association or the common elements maintained by the condominium unit owners association; (ii) the enforcement of any declaration creating a condominium or governing the planned community; (iii) the collection of assessments under the declaration creating a condominium or governing a planned community on behalf of and in the name of the owners association or condominium unit owners association; (iv) financial and physical property management services; and (v) obtaining insurance for such owners association or condominium unit owners association.

ARTICLE 8

RESTRICTIONS ON USE OF LOTS AND COMMON AREA;

RULES AND REGULATIONS

Section 8.1. Permitted Uses. Except as otherwise provided in the Association documents, no Lot shall be used for other than the purposes for which such Lot is zoned and designed. Nothing in the Association Documents shall be construed to prohibit (i) the use of Lots for mental health/mental retardation facilities, including group homes, or (ii) 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. Each Lot and the Common Area shall be occupied and used as follows:

(a) Hazardous Uses; 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 a violation of any law, regulation or administrative ruling. No waste will be committed on the Common Area.

(b) Lawful Use. 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, the Declarant or any owners association or condominium unit owners association, 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, Limited Common Expense or Recreational Facilities Expense, as appropriate.

(c) Emissions. There shall be no emissions of dust, sweepings, dirt, cinders, odors, gases or other substances into the atmosphere except for normal residential chimney 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 effect the use or intended use of any portion of the Property or may adversely effect the health, safety or comfort of any Person.

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

(e) Obstructions. No Person shall obstruct any of the Common Area or otherwise impede the rightful access of any other Person on any portion of the Property upon which such Person has the right to be. No Person shall place or cause or permit anything to be placed on or in any of the Common Area without the approval of the Board. 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 shall be used only for their intended purposes. Except as otherwise expressly provided in the Association Documents, no Owner shall make any private, exclusive or proprietary use of any of the Common Area (except those areas, if any, designated as Limited Common Area or Reserved Common Area by the Board of Directors) without the prior written approval of the Board of Directors and then only on a temporary basis.

(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 for promotional or marketing purposes or 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, except as may be permitted in accordance with the Design Standards or with the approval of the Covenants Committee.

(i) Trash. 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. Trash containers and refuse disposal systems must be maintained in enclosures and screened as approved by the Covenants Committee. Trash, leaves and other materials shall not be burned in violation of local ordinances. No incinerator shall be kept or maintained upon the Property without the prior written approval of the Board of Directors.

(j) Landscaping; Sight-lines. No tree, hedge or other landscape feature shall be planted or maintained in a location which obstructs sight-lines for vehicular traffic on public streets. No structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel, run, stable, outdoor clothes line, shed or other temporary accessory buildings shall be erected, used or maintained on any Lot except in connection with construction activities. 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 encouraged. 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 cable or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground.

(k) Vegetation. No live trees with a diameter in excess of four inches, measured twelve inches above ground, nor trees in excess of two inches in diameter, similarly measured, which are generally known as flowering trees (such as dogwood or redbud) or as broad leaf evergreens (such as holly, laurel, or rhododendron), no live vegetation on slopes of greater than twenty percent gradient or marked "no cut" areas on approved site plans may be cut without prior approval of the Covenants Committee. The Board of Directors shall set rules for cutting of trees to allow for selective clearing or cutting.

(l) Antenna. No outside antennas, satellite dishes or ham radio equipment shall be maintained upon the Property. It is not anticipated that outside antennas, satellite dishes or ham radio equipment will be allowed upon the Property, however, the Board of Directors may approve such equipment in the appropriate circumstance.

(m) Fences. Except for any fence installed by the Declarant, a Builder or by the Association, no fence shall be installed except in conformance with standards established therefor (**sic**) and with the written approval of the Covenants Committee. No chain link fencing will 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 around swimming pools or ponds.

(n) Vehicles. Except in connection with construction activities, no trucks, trailers, campers, recreational vehicles, boats or other large vehicles, including grounds maintenance equipment, may be parked on any portion of the Common Area or any portion of a Lot visible from the Common Area or another Lot or on any public right of way within or adjacent to the Property, unless expressly permitted by the Board of Directors and only in such parking areas or for such time periods (if any) as may be designated for such purpose. Parking of all such vehicles and related equipment, other than on a temporary and non-recurring basis, shall be in garages or screened enclosures approved by the Covenants Committee or in areas designated by the Board of Directors. The Board of Directors shall establish reasonable regulations permitting the parking of commercial vehicles on Nonresidential Lots to the extent necessary to conduct the applicable commercial activities on such Lots. Grounds maintenance equipment may be stored and maintained on the Property with the prior written approval of the Board of Directors. 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. Vehicle repairs and storage of vehicles are not permitted, except in accordance with the Rules and Regulations; provided, however, that noncommercial repair of vehicles is permitted within enclosed structures. All motor vehicles including, but no limited to, trail bikes, motorcycles, dune buggies, and snowmobiles shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on Community Trails, pathways or unpaved portions of Common Area, except such vehicles as are authorized by the Board of Directors as needed to maintain, repair, or improve the Common Area or golf carts as designated in a Supplementary Declaration or as authorized by the Board of Directors in accordance with paragraph (o) below. This prohibition shall not apply to normal vehicular use of designated streets and lanes constructed on Common Area.

(o) Golf Carts. No golf carts shall be driven on the Community Trails or pathways or on paved streets or parking areas or unpaved portions of the Common Area, except on such Community Trails, pathways, paved streets or paving areas designated for used (**sic**) by golf carts in a Supplementary Declaration or by the Board of Directors.

(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) Residential Uses. Residential Lots shall be used for Residential purposes only; provided, however, that the Board of Directors may permit reasonable nonresidential use on such Lots from time to time for a professional office or day care, provided that such use is consistent with all applicable laws, ordinances and regulations of any governmental authority and subject to such reasonable rules as may be established by the Board of Directors. As a condition to consenting 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. Once given, such permission may not be revoked later except for good cause shown.

(r) 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 orderly domestic pets (e.g., dogs, cats or caged birds) without the approval of the Board of Directors, 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 of the pet. 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.

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

(t) Mailboxes and Newspaper Tubes. Only mailboxes and newspaper tubes meeting Design Standards of the Association shall be permitted.

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

(v) Pools. No above-ground or inground (**sic**) swimming pool shall be erected or maintained on any Lot unless approved by the Covenants Committee and unless screened from view and enclosed by a fence.

(w) 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 portions thereof, which may supplement, but may not be inconsistent with the provisions of the Association Documents. The Board of Directors shall also review and approve the rules and regulations proposed by any owners association or condominium unit owners association located on the Property; provided, however, that any

rules and regulations submitted to the Board shall be deemed approved if not disapproved within fifteen days after the first meeting of the Board after such rules and regulations are submitted. The Property shall be occupied and used in compliance with the Rules and Regulations, as well as the rules and regulations established by an owners association or condominium unit owners association; provided, however, that any rules and regulations adopted by such association which are inconsistent with the Association Documents or the Rules and Regulations of the Association shall be void. 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 or the reasonable conduct of business or other appropriate activities on the Nonresidential Lots. Also, the Board of Directors may issue temporary or other appropriate 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 for so long as the Declarant or such designee is engaged in development or sales, or activities related thereto, anywhere within the Property or on any Additional Real Estate. Such exception 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. No dwelling unit located on a Single Family Residential Lot or any portion thereof shall be used or occupied for transient or hotel purposes or in any event leased for an initial period of less than six months. No portion of any dwelling unit located in a Single Family Residential Lot (other than the entire dwelling unit) 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: (1) requiring the lessee to comply with the Association Documents; and (2) providing that failure to comply constitutes a default under the lease. The foregoing provisions of this subsection, except the restriction against use or occupancy of dwelling units on Single Family Residential Lots for hotel or transient 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.

ARTICLE 9

ARCHITECTURAL REVIEW

Section 9.1. Covenants Committee.

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

property values of the Property; and (iii) promoting the general welfare and safety of the Owners, such Owners' tenants and such Owners' (or tenants') households or companies, guests, employees, customers, agents and invitees. If the Board of Directors fails to appoint a Covenants Committee, then the Board of Directors shall perform the duties of the Covenants Committee.

(b) Powers.

(1) The Covenants Committee shall regulate the external design, signage, appearance, use and maintenance of the Lots and the Common Area; provided, however, that the Covenants Committee shall not have the power to regulate the activities of the Association or the Declarant on the Common Area or any Lot owned by the Declarant or any improvement on any Lot owned by a Builder which has been approved by the Declarant; and provided, further, that the Covenants Committee shall not have the power to review initial construction on the Property, if such construction is reviewed by the New Construction Subcommittee. In addition, if the Board of Directors so determines, the covenants committee, board of directors or similar body of any owners association or condominium unit owners association also governing a portion of the Property with respect to any planned community or condominium located on the Property may review applications made by Owners of Lots subject to the jurisdiction of such owners association or condominium unit owners association on behalf of the Covenants Committee.

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

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

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

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

shall also review the architectural guidelines proposed by the board of directors, covenants committee or similar committee of any owners association or condominium unit owners association operating within the Property and shall determine whether such guidelines are in keeping with the overall architectural character of the Property. The guidelines or rules established by any owners association or condominium unit owners association are subordinate to the Design Standards and are void to the extent inconsistent with the Design Standards.

(6) A Majority Vote of the Covenants Committee shall be required in order to take any action except as otherwise provided in Section 12.1 (h) hereof. The Covenants Committee shall keep written records of all its actions. Any action, ruling or decision of the Covenants Committee may be appealed to the Board of Directors by any party deemed by the Board to have standing as an aggrieved party and the Board may modify or reverse any such action, ruling or decision. The Covenants Committee and the Board of Directors shall have no authority to regulate construction by the Declarant or approved by the Declarant.

(c) Conduct of Business. The Covenants Committee shall not exercise its powers and authority to interfere with the reasonable conduct of business or other appropriate activities on the Nonresidential Lots or the development of the Property by the Declarant or Builders. Reasonable signs, modifications, alterations and changes of use which are consistent with Design Standards and needed for the proper conduct of business shall be permitted.

(d) Authority. The Covenants Committee shall have such additional duties, powers and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case-by-case basis. The Covenants Committee shall carry out its duties and exercise its powers and authority in accordance with Subsections 12.1 (h) and (i) hereof and in the manner provided for in the Rules and Regulations adopted by the Board of Directors or by resolution of the Board of Directors.

(e) Time for Response; Variances. The Covenants Committee shall act on all matters properly before it within forty-five days; failure to do so within the stipulated time shall constitute an automatic referral to the Board of Directors. Except when a request is being handled by the Covenants Committee, the Board of Directors shall be obligated to answer any written request by an Owner for approval of a proposed structural addition, alteration or improvement within fifteen days after the first Board of Directors meeting held following referral to the Board, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed structural addition, alteration or improvement; provided, however, that the Board of Directors has no right or power, either by action or failure to act to waive enforcement or grant variances from written Design Standards without a specific finding that enforcement of such standards would impose an unfair burden on such Owner and stating the variance and the reasons therefor **(sic)** in a written instrument which shall be part of the records of the Association. Upon such written approval of any specific variance or exception from the requirements of the Design Standards, all development conforming to such variance or exception shall be deemed to comply.

Section 9.2. Subcommittees of the Covenants Committee. The Covenants Committee (or the Declarant with respect to the New Construction Subcommittee) shall establish certain subcommittees to exercise the powers of the Covenants Committee. The Covenants Committee may in its discretion establish additional subcommittees to carry out its functions. Wherever in the Association Documents reference is made to the Covenants Committee, such reference shall mean the Covenants Committee itself or the appropriate subcommittee thereof.

(a) New Construction Subcommittee. The New Construction Subcommittee shall be established by the Declarant and shall carry out its duties as set forth in Section 9.4 hereof.

(b) Modifications Subcommittee. The Modifications Subcommittee shall review and approve or disapprove the plans for any visible additions, alterations or modifications to the exterior of existing improvements located on the Property in order to ensure the quality and compatibility of the style of improvements on the Property.

(c) Rule Enforcement Subcommittee. The Rules Enforcement Subcommittee shall review possible violations of the Rules and Regulations, recommend appropriate enforcement action and act as the judicial arm of the Covenants Committee as set forth in Section 12.1 (h) and (l) hereof.

(d) Subcommittee Powers. Any subcommittee shall have the right to inspect construction periodically. Any deviation from the approved drawings and specifications which materially changes the exterior appearance or location of the improvement is a violation of the Association Documents. Each subcommittee shall adopt its own requirements, procedures and time periods for action and incorporate the same in the Design Standards. This section shall in no way affect any requirement for inspection by any governmental entity.

Section 9.3. Compensation of the Covenants Committee. One or more members of the Covenants Committee or a subcommittee (other than an Owner or a resident of the Property) may be compensated by the Association for their services on the Covenants Committee as may be determined by the Board of Directors.

Section 9.4. New Construction Subcommittee.

(a) Appointment Powers and Procedures. The Declarant shall appoint a New Construction Subcommittee consisting of at least three persons which shall adopt initial Design Standards for the Property and review and approve or disapprove the plans for the initial construction of any structure to be located on the Property (other than structures to be located on property owned by the Board of Supervisors of Loudoun County, Virginia, which plans shall be reviewed by the subcommittee which may make recommendations to assure that the architecture, design, and materials are compatible with other buildings located on the Property), including without limitation the site development plan, architectural design, architectural materials, landscaping plan, non-structural improvements and general appearance, in order to ensure the quality and compatibility of style of all the improvements to be located on the Property. Such Design Standards are hereby incorporated herein by this

reference and shall be enforceable as if set forth herein in full. The New Construction Subcommittee may establish its own applications and procedures and may charge a fee for its review. While the New Construction Subcommittee exists, all additions and modifications to the Design Standards must be approved by the Committee. The Declarant may appoint the New Construction Subcommittee during the Development Period. After the Development Period, the New Construction Subcommittee shall cease to exist. If initial construction on the Property occurs after the New Construction Subcommittee ceases to exist, then such construction will be reviewed by the Covenants Committee or the Modifications Subcommittee.

(b) Escrow. The New Construction Subcommittee shall collect from each Owner (including Builders, but excluding the Board of Supervisors of Loudoun County, Virginia) a deposit to be held in escrow by the Subcommittee until such time as the improvements subject to Subcommittee review are completed and compliance with the Design Standards and requirements of the Subcommittee as stated in the approval of the application is confirmed by the Subcommittee. The deposit shall be paid upon application to the Subcommittee for architectural review. If the improvements are not completed in compliance with the Design Standards and other requirements of the Subcommittee as stated in its approval of the application, the deposit is forfeited and shall be paid to the Association. The deposit per Lot shall be calculated as follows:

(1) Five Hundred Dollars (\$500.00) per dwelling unit located on each Single Family Residential Lot which is the subject of the application for architectural review.

(2) Twenty-five Dollars (\$25.00) per dwelling unit located or permitted to be constructed under local zoning regulations on each Multifamily Residential Lot which is the subject of the application for architectural review.

(3) Five Hundred Dollars (\$500.00) for each Civic Lot which is the subject of the application for architectural review.

(4) Five Hundred Dollars (\$500.00) for each Nonresidential Lot which is the subject of the application for architectural review.

ARTICLE 10

INSURANCE

Section 10.1. Authority to Purchase; Notice.

(a) The Board of Directors shall have the power and responsibility on behalf of the Association to (i) purchase insurance policies relating to the Common Area, (ii) adjust all claims arising under such policies; and (iii) execute and deliver releases upon payment of claims. The cost of all insurance policies purchased by the Board relating to the Common Area shall be a Common Expense, a Limited Common Expense or a Recreation Facilities Expense, as appropriate. The Board of Directors, the managing agent and the Declarant shall not be liable for failure to obtain any coverages required by this Article or for any loss or damage resulting from such failure: (i) if such failure is due to the unavailability of

such coverages from reputable insurance companies; (ii) if such coverages are so available only at an unreasonable cost; or (iii) if the Association's insurance professionals advise that the coverages required by paragraph (2) of 10.2 (b) hereof are not necessary. Exclusive authority to negotiate losses under policies purchased by or on behalf of the Association shall be vested in the Board of Directors or with its authorized representative. The Board of Directors shall promptly notify the members and Mortgagees of material modifications, lapses, or termination of insurance coverages obtained on behalf of the Association.

(b) Each such policy shall provide that:

(1) The insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Board of Directors, the managing agent, any Owner and their respective households or companies, guests, employees, customers, tenants, agents and invitees;

(2) Such policy shall not 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 or company guests, employees, customers, agents and invitees, or of any Officer or employee of the Board of Directors or the managing agent without a prior demand in writing that the Board or the managing agent cure the defect and neither shall have so cured such defect within sixty days after such demand; and

(3) Such policy may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty days prior written notice to the Board of Directors or the managing agent.

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

(d) The deductible (if any) on any insurance policy purchased by the Board of Directors shall be a Common Expense (or a Limited Common Expense or a Recreational Facilities Expense, as appropriate); provided, however, that the Association may, pursuant to Subsection 12.1(a) hereof, assess any deductible amount necessitated by the misuse or neglect of an Owner against such Owner.

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

Section 10.2. Physical Damage Insurance.

(a) The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, sprinkler leakage (if applicable), cost of demolition, debris removal, and water damage endorsements, insuring any improvements located on the Common Area (including without limitation any floor covering, fixtures and appliances), together with all air conditioning and heating equipment and other service machinery contained therein and covering the interests of the Association, in an amount equal to one hundred percent of the then current replacement cost of any improvements located on the Common Area (exclusive of the land, excavations,

foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined annually by the Board with the assistance of the insurance company affording such coverage). The Board of Directors shall also obtain and maintain appropriate coverage on all personal property and real estate other than the Common Area owned by the Association.

(b) Each such policy shall also provide:

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

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

(3) that any "no other insurance" clause expressly exclude individual Owners' policies from its operation so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Owners or their Mortgagees, unless otherwise required by law; and

(4) such deductibles as to loss, but no coinsurance features, as the Board of Directors in its sole discretion deems prudent and economical.

(c) Certificates of physical damage insurance signed by an agent of the insurer, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee requesting the same, at least ten days prior to expiration of the then current policy. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to improvements located on the Common Area in excess of ten percent of the then current replacement cost of such improvements.

Section 10.3. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability, broad form endorsement (including libel, slander, false arrest and invasion of privacy coverage) and property damage liability insurance in such limits as the Board may from time to time determine, insuring each director, the managing agent and the employees of the Association against any liability to the public or to any Owner or such Owner's tenant and such Owner's (or tenant's) household or company, guests, employees, customers, agents and invitees arising out of, or incident to the ownership or care, custody, control and use of the Common Area or legal liability arising out of employment contracts of

the Association. Such insurance shall be issued on a comprehensive liability basis and shall contain: (1) a cross-liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another named insured; (2) hired and non-owned vehicle coverage; (3) host liquor liability coverage with respect to events sponsored by the Association; (4) deletion of the normal products exclusion with respect to events sponsored by the Association; and (5) a “severability of interest” endorsement which shall preclude the insurer from denying liability coverage to an Owner because of negligent acts of the Association or of another Owner. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of “umbrella” liability insurance in excess of the primary limits shall also be obtained in an amount not less than two million dollars.

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

(a) adequate fidelity coverage to protect against dishonest acts on the part of directors, Officers, trustees and employees of the Association and all others who handle, or are responsible for handling, funds of the Association, including the managing agent. If the Association has delegated some or all of the responsibility for handling funds to a managing agent, such managing agent shall be covered by its own fidelity bond. Such fidelity bonds (except for fidelity bonds obtained by the managing agent for its own personnel) shall: (i) name the Association as a obliged, (ii) be written in an amount not less than one half the total annual assessment for Common Expenses or the amount required by the Mortgagees, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, whichever is greatest and (iii) contain waivers of any defense based upon the exclusion of Persons who serve without compensation from any definition of “employee” or similar expression;

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

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

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

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

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

Section 10.5. Separate Insurance on Lots.

(a) Optional Insurance. Each Owner shall have the right to obtain insurance for such Owner's benefit, at such Owner's expense, covering the improvements located on such Owner's Lot. No Owner shall acquire or maintain insurance coverage on the Common Area insured by the Association so as: (i) to decrease the amount which the Board of Directors may realize under any insurance policy maintained by the Board; (ii) to cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by an Owner; or (iii) in violation of any condominium instruments or declaration of covenants encumbering such Owner's Lot. No Owner shall obtain separate insurance policies on the Common Area owned in fee simple by the Association.

(b) Required Coverage. (1) Each Owner of a Multifamily Residential Lot shall obtain general liability insurance in a minimum amount of one million dollars and shall provide a certificate of insurance to the Board of Directors fifteen days prior to the expiration of such insurance.

(2) Owners may be required to obtain certain insurance coverages with respect to Additional Real Estate in amendments to the Declaration adding such Additional Real Estate.

ARTICLE 11

RECONSTRUCTION AND REPAIR

Section 11.1. When Reconstruction or Repair Required.

(a) Common Area. Except as otherwise provided in Section 11.4 hereof, 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). 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 Sections 11.4 and 15.4 hereof.

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

Section 11.2. Procedure for Reconstruction and Repair of Common Area.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to any portion of any improvement located on the Common Area, the Board of Directors shall obtain reliable and detailed estimates of the cost of restoring and repairing such

improvement (including without limitation any floor coverings, fixtures and appliances) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the original construction of any improvement located on the Common Area, subject to any modifications required by changes in applicable governmental regulations, and using contemporary building materials and technology to the extent feasible; provided, however, that other action may be taken if approved in accordance with Sections 11.4 and 15.4 hereof.

Section 11.3. Disbursement of Construction Funds for Common Area.

(a) Construction Fund and Disbursement. The proceeds of insurance collected on account of a casualty and the sums received by the Board of Directors from the collection of assessments against the Owners pursuant to Subsection 11.3 (b) hereof, or any Owner pursuant to Subsection 12.1 (a) hereof, shall constitute a construction fund which shall be disbursed in payment of the costs or reconstruction and repair in the following manner.

(1) If the estimated cost of reconstruction and repair is less than ten percent of the total annual assessment for Common Expenses for that fiscal year, then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors.

(2) If the estimated cost of reconstruction and repair is ten percent or more of the total annual assessment for Common Expenses for that fiscal year, then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in Virginia and employed by the Board of Directors to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other Persons who have rendered services or furnished materials in connection with the work stating that: (i) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and materials furnished; (ii) there is no other outstanding indebtedness known to such architect for the services and materials described; and (iii) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested. The Board of Directors shall be entitled to rely on such certificate.

(b) Shortfalls. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement funds or shall be deemed a Common Expense, a Limited Common Expense or a Recreational Facility Expense, as appropriate, and an assessment therefor (**sic**) shall be levied subject to Section 6.2 hereof.

(c) Surplus. The first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds. If, after payment of the costs of all reconstruction and repair, and the refund of any excess payments made by Owners pursuant to Subsection 11.3 (b) hereof in proportion to their contributions or the refund of excess payments by any Owner pursuant to Subsection 12.1 (a) hereof, there remains any surplus fund, such fund shall be paid to the Association and shall be placed in the appropriate reserve account.

Section 11.4. When Reconstruction and Repair of Common Area Not Required. 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 the repair or restore improvements on the Common Area shall be made in accordance with Section 15.4 hereof. If damaged improvements are not repaired, then the Board of Directors shall remove all remnants of the damaged improvements and restore the site thereof to an acceptable condition compatible with the remainder of the Common Area and the balance of any insurance proceeds received on account of such damage shall be placed in the appropriate reserve account.

ARTICLE 12

COMPLIANCE AND DEFAULT

Section 12.1. Relief. Each Owner and each owners association or condominium unit owners association located within the Property shall be governed by, and shall comply with, all of the terms of the Association Documents and the Rules and Regulations as they may be amended from time to time. A default by an Owner or owners association or condominium unit owners association located within the Property shall entitle the Association, acting through its Board of Directors or through the managing agent, to the following relief.

(a) Additional Liability. Each Owner or each owners association or condominium unit owners association within the Property shall be liable to the Association or to any affected Owner for the expense of all Upkeep, rendered necessary by such Owner's act or omission or the act or omission of such owners association or condominium unit owners association, regardless of neglect or culpability but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. 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 or the Rules and Regulations by any Owner may be assessed against such Owner's Lot.

If a new Owner does not give the Secretary written notice stating the name and address of the new Owner and the number or address of the Lot within thirty days after acquiring title to such Lot, pursuant to Section 1.3 hereof, then reasonable record-keeping costs incurred by the Association, as determined by the Board of Directors, may be assessed against such Owner.

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.

(b) Costs and Attorney's Fees. In any proceedings arising out of any alleged default by an Owner or an owners association or condominium unit owners association located within the Property, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees as may be determined by the court.

(c) 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 party exercising the same from exercising such other privileges as may be granted to such party by the Association Documents, the Act or at law or in equity.

(d) Interest. If a default by any Owner in paying any sum assessed against such Owner's Lot, except for Common Expenses, or any owners association or condominium unit owners association in paying any amount to be collected from such owners association or condominium unit owners association continues for a period in excess of ten days, interest from the due date at a rate not to exceed the lesser of the maximum permissible interest rate which may be charged by a Mortgagee under a Mortgage at such time or eighteen 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.

(e) Abating and Enjoining Violations. The violation of any of the Rules and Regulations adopted by the Board of Directors or the breach of any other 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: (1) to enter the portion of the Property (excluding any occupied dwelling) 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; (2) 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 (3) 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.

(f) Legal Proceedings. Failure to comply with any of the terms of the Association Documents or the Rules and Regulations shall be grounds for relief, including without limitation an action to recover any sums due for money damages, injunctive relief,

foreclosure or 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 or member and shall not constitute an election of remedies. Before an action may be brought, the Owner against whom such action would be brought shall be given an opportunity to be heard and to be represented by counsel, at such Owner's expense if such Owner so desires before the Board of Directors or the Covenant Committee, in accordance with the provisions of Subsections 12.1 (h) and (i) hereof.

(g) Other Remedies. The Board of Directors may suspend member's voting rights pursuant to Section 3.2 (d) of the Bylaws. The Board may also suspend the right of an Owner or other resident, and the right of such Person's household, guests, employees, customers, tenants, agents and invitees, to use 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; provided, however, that the Association shall not suspend the right to use the Private Streets and Roadways for both vehicular and pedestrian ingress and egress to and from such Owner's Lot and for parking or to use the Common Area for necessary, ordinary and reasonable pedestrian ingress and egress to and from such Owner's Lot, or to suspend any easement over the Common Area for storm water drainage, electricity, water, sanitary sewer, natural gas, television reception, telephone service or similar utilities and services to the Lots.

(h) Charges and Suspension of Rights. The Board of Directors or the Covenants Committee (or the appropriate subcommittee thereof), as appropriate, has the power to impose charges and suspend the right to vote in the Association or other rights (pursuant to Subsection 3.2 (d) of the Bylaws and Subsection 12.1 (g) hereof) in the case of an Owner or to impose charges in the case of an owners association or condominium unit owners association located within the Property found to be responsible for a violation of the Association Documents or the Rules and Regulations. Except for the suspension for non-payment of assessments of voting rights and the right to use the Common Area, no such penalty shall be imposed until the Person charged with such a violation has been given notice and an opportunity for a hearing as set forth in (i) below. The Board or Committee may deliberate privately, but shall either announce its decision in the presence of the respondent or give the respondent notice thereof. A decision adverse to the respondent shall require a two-thirds majority vote of the whole membership of the Board or Committee. Charges may not exceed One Hundred Dollars for each violation, or Ten Dollars per day for each violation of a continuing nature for each Owner or each owners association or condominium unit owners associations located within the Property. 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 to the extent permissible under Virginia law.

(i) Due Process. The Board of Directors or the Covenants Committee, before imposing any charge or before taking any action affecting one or more specific Owners or owners association or condominium unit owners association, 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. Notice of any hearing shall be mailed by registered or certified 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, in accordance with Article 11 of the Bylaws.

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

(3) Appeal. Upon receipt of a written request therefor (**sic**) made within ten days after the date of an action by the Covenants Committee, the Board of Directors may afford an Owner or owners association or condominium unit owners association deemed by the Board to have standing as an aggrieved party the right to appeal to the Board, and the Board may modify or reverse any action taken by the Covenants Committee.

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

(j) Enforcement Against Owners Association and Condominium Unit Owners Association. If an owners association or condominium unit owners association fails to pay any assessment or charge due from such association within twenty days after due, then the Association may attach any assessments or charges due from the Owners to such owners association or condominium unit owners association and notify such Owners that all assessments or other charges shall be paid directly to the Association until such Owners are notified otherwise. The Association may then retain such portion of the sums collected to satisfy the amount due from the owners association or condominium unit owners association and shall remit any sums collected to excess of assessments or charges due to such owners association or condominium unit owners association.

Section 12.2. Lien for Assessments.

(a) Lien. The total annual assessment of each Owner for Common Expenses, including Limited Common Expenses and Recreational Facilities Expenses, any additional assessment, any individual assessment or any other sum duly levied (including without limitation charges, interest, late charges, charges under contract etc.), made pursuant to the Association Documents, is hereby declared to be a lien levied against any Lot owned by any Owner. 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, on the first day of the next payment period which begins more than ten days after the date of notice to the Owner of such additional assessment, individual 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. 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 or by an action in the name of the Board of Directors, or the managing agent, acting on behalf of the Association. During the pendency of any such action to enforce the Association lien, the Owner shall be required to pay a reasonable rental for the Lot for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the laws of Virginia. 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, including without limitation Article 13 hereof, the lien of any assessment levied pursuant to the Association Documents upon any Lot (and any charges, interest on assessments, 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 the 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 any notice from the Association shall notify the Secretary of the Association to that effect by certified or registered United States Mail. 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 of an Owner of a Lot, upon which the Mortgagee has a Mortgage, in paying assessments for Common Expenses (which remains uncured for sixty days) or any other default, simultaneously with the notice sent to the defaulting Owner;
- (2) Any casualty, if required by Section 10.2 (c) hereof;
- (3) All actions taken by the Association with respect to reconstruction of the Common Area or a Lot upon which the Mortgagee has a Mortgage;
- (4) Any termination, lapse or material modification of an insurance policy held by the Association;
- (5) Any taking in condemnation or by eminent domain of the Common Area and the actions of the Association pursuant to Article 14 hereof;
- (6) Any proposal to terminate the Declaration, at least fifty days before any action is taken to terminate in accordance with Article 16 hereof; and
- (7) Any proposal to amend materially the Articles of Incorporation, this Declaration or the Bylaws, at least seven days before any action is taken pursuant to Section 15.4 hereof.

Section 13.3. Other Rights of Mortgagees. All Mortgagees or their representatives shall have the additional right to request 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 and books and records of the Association and to require the submission of annual financial reports and other budgetary information. Any Mortgagee who makes a request shall be entitled to an audited financial statement for the preceding fiscal year of the Association prepared at the Association's expense and provided within a reasonable time. After fourteen days notice to the Association, a Mortgagee may, jointly or singly, pay taxes or other charges levied against the Common Area and may pay overdue premiums or

hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for such Common Area. The Mortgagee or Mortgagees giving such notice and making such payments shall be reimbursed by the Association.

ARTICLE 14

CONDEMNATION

Section 14.1. Definition. For the purposes of this Article, "Taking" means an acquisition of all or any part of the Common Area owned in fee simple by the Association or of any interest therein or right accruing thereto as a result of, in lieu of or in anticipation of the exercise of the right of condemnation or eminent domain, or a change of grade caused by the action of a governmental entity affecting the value of the Common Area or any part thereof so severely as to amount to condemnation.

Section 14.2. Taking of Common Area. If there is a Taking of all or any part of the Common Area owned in fee simple by the Association, then the Association shall notify the Owners, but the Board of Directors shall act on behalf of the Association in connection therewith and no Owner shall have any right to participate in the proceedings incident thereto. The award made for such Taking shall be payable to the Association, to be disbursed as follows. If the Taking involves a portion of the Common Area on which improvements have been constructed, then the Association shall restore or replace such improvements so taken of another portion of the Common Area, to the extent land is available therefor (**sic**), in accordance with plans approved by the Board of Directors, unless within sixty days after such Taking the Declarant (during the Declarant Control Period) or the members by a Sixty-seven Percent Vote (after the Declarant Control Period) shall otherwise agree. The provisions of Article 11 hereof regarding the disbursement of funds following damage or destruction shall apply.

ARTICLE 15

AMENDMENT; EXTRAORDINARY ACTIONS

Section 15.1. Amendment by the Declarant. During the Development Period, the Declarant may unilaterally amend any provision of this Declaration or any Supplementary Declaration to: (1) make non-material changes; (2) satisfy the requirements of any government, governmental agency or mortgagee; (3) relocate boundary lines between the Common Area and any Lots or among any Lots; provided, however, that such relocation does not materially and adversely affect any Owner other than the Declarant and that such relocation is reflected in an approved resubdivision of all or any part of the Property; (4) depict the assignment of Limited Common Area as required by Section 3.9 (b) hereof; (5) amend Exhibit A and Exhibit B hereto (pursuant to Section 4.1 hereof); (6) add all or any portion of the Additional Real Estate in accordance with Section 4.1 hereof; and (7) withdraw Submitted Real Estate in accordance with Section 4.4 hereof.

Section 15.2. Amendment by the Association.

(a) Subject to Section 15.4 hereof and the right of Loudoun County, Virginia to require compliance with the proffer conditions, the special exception conditions or the subdivision approval conditions applicable to the Property, the Association may amend this Declaration by at least a Sixty-seven Percent Vote of the members or with the written approval of members entitled to cast at least sixty-seven percent of the total number of votes.

(b) 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, executed 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) Amendment of a Supplementary Declaration shall be governed by the provisions for amendment contained therein and the requirements of 15.4 hereof. A Supplementary Declaration shall not include provisions in conflict with the Declaration. A Supplementary Declaration shall not be amended to reduce the maximum annual Limited Common Expense Assessment set forth therein. A Supplementary Declaration shall not be amended in such a way that the real estate subject to such Supplementary Declaration is withdrawn from the Declaration except in accordance with Article 4 hereof. In the case of conflicting provisions, the Declaration shall control.

Section 15.3. 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 be made to the Declaration during the Declarant Control Period without the prior written consent of the Declarant. No amendment shall increase financial obligations of an Owner in a discriminatory manner or further restrict development on existing Lots. No amendment to the Declaration shall diminish or impair the rights of the Declarant under the Declaration without the prior written consent of the Declarant. 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 15.4. Extraordinary Actions of the Association. The provisions of this section shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Owners where a larger percentage vote is required by the Act or other provisions of the Association Documents. To the extent this section applies to amendments to a Supplementary Declaration, the approval of the Owners or Mortgagees required shall be deemed to refer only to the Owners of Lots or Mortgagees holding Mortgages on Lots subject to such Supplementary Declaration. This section shall not affect the rights of the Declarant to make unilateral amendments to the Declaration or to Supplementary Declaration where such rights have been granted by other sections of the Declaration or a Supplementary Declaration.

(a) Majority Vote of Mortgagees. Unless at least fifty-one percent of the Mortgagees and members entitled to cast at least sixty-seven percent of the total number of Owners other than the Declarant, have given their approval, the Association shall not be act or omission: (i) terminate the Declaration or dissolve the Association; (ii) fail to employ professional management if professional management has been previously required by a

Mortgagee; (iii) seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area owned in fee simple by the Association (except for the granting of easements for utilities or other purposes consistent with the intended use of such Common Area and the adjustment of boundary lines pursuant to Section 2.5 hereof); (iv) add, change the method of determining the obligations, assessments or other charges which may be levied against an Owner; (v) add, change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance or maintenance of Lots, the maintenance of any fences, walkways or driveways in the Common Area, or the Upkeep of lawns and plantings on the Property; (vi) 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 Section 10.2 hereof; (vii) 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; or (viii) add or amend any material provisions of the Association Documents which establish, provide for, govern or regulate any of the following: (1) voting; (2) assessments, assessment liens or subordination of such liens; (3) reserves for maintenance, repair and replacement of the Common Area; (4) insurance or fidelity bonds; (5) reallocation of interests in or rights to use of the Common Area or Limited Common Area (if any); (6) maintenance responsibility; (7) redefinition of the boundaries of Lots; (8) leasing of Lots; (9) 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; (10) expansion or contraction of the Property or the addition, annexation or withdrawal of real estate to or from the Property; (11) convertability (**sic**) of Lots into Common Area or vice versa; (12) restoration or repair of the Property after damage or partial condemnation in a manner other than that specified in the Association Documents; or (13) any provisions which are for the express benefit of Mortgagees.

(b) Presumptive Approval. A Mortgagee who is notified of amendments by certified or registered United States Mail, return receipt requested, and who does not deliver or post to the requesting party a negative response within thirty days shall be deemed to have approved such amendments. Approval by a Mortgagee also includes the issuance of written approval or any written waiver or a formal letter stating "no objection."

(c) Non-Material Amendments. Any addition or amendment to the Association Documents shall not be considered material if it is for the purpose of correcting technical errors or for clarification only.

(d) Veterans Administration and Federal Housing Administration Consent. When a Veterans Administration guarantee is in effect on a Mortgage, without the consent of the Veterans Administration, or when Federal Housing Administration insurance is in effect on a Mortgage, without the consent of the Federal Housing Administration; (1) the Declarant may not amend the description of Additional Real Estate or participate in an Association vote to amend the description of Additional Real Estate; (2) the Association may not submit any real estate other than Additional Real Estate, and (3) the Association may not take any action described in Sections 15.4 (a) during the Declarant Control Period. This subsection shall apply only for so long as a Lot within the Property is encumbered by a Mortgage guaranteed by the Veterans Administration or insured by the Federal Housing Administration.

ARTICLE 16

TERMINATION

Section 16.1. Termination by the Association. Subject to Section 15.4 hereof, the Association may terminate this Declaration only by a vote of the members entitled to cast at least eighty percent of the total number of votes as certified by the President or with the written approval of members entitled to cast at least eighty percent of the total number of votes. In either case the termination shall not be effective until certified by the President as to compliance with the procedures set forth in this Article, executed and acknowledged by the President and Secretary of the Association and recorded among the Land Records.

Section 16.2. Prerequisites. Written notice of the proposed termination shall be sent to every Owner and Mortgagee at least fifty 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'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.

ARTICLE 17

PARTY WALLS AND FENCES

Section 17.1. Laws of Virginia to Apply; Easement. All matters arising in connection with any wall which would constitute a party wall at common law shall, to the extent consistent with the provisions of this Article, be subject to the common law of Virginia as modified by statute from time to time and as modified by this Article. If the centerline of a party wall now or hereafter fails to coincide with the boundary between the Lots it serves, an easement for any resulting encroachment is granted in accordance with Section 3.5 hereof. If a party wall serves three or more Lots, each segment of it serving two Lots shall be treated for the purposes of this Article as a separate party wall.

Section 17.2. Upkeep. The Owners of Lots served by a party wall shall provide for the Upkeep of party walls and shall share equally the cost of its Upkeep except as otherwise provided in this Article. No Owner shall impair the structural integrity of any party wall nor diminish the fire protection afforded by any party wall.

Section 17.3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, the following procedures shall be followed in order to restore such party wall.

(1) Either Owner served by the party wall shall notify the other Owner served by the party wall of any proposal to repair the wall. If within ten days after such notice

(or in an emergency, within twenty-four hours after such notice or a bona fide attempt to give such notice) the other Owner has not responded to the notice, then the Owner giving notice may proceed with the repairs. Such repairs must be substantially similar to the original construction and installation and of first class quality, but may be made with contemporary materials.

(2) If the other Owner served by the party wall responds to the notice, the Owners shall act together to repair the party wall. If the Owners are unable to agree upon the action to be taken, they shall submit the issue to arbitration in accordance with Section 17.5 hereof.

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

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

Section 17.4. Liability. An Owner who by a negligent or willful act or omission causes or permits a party wall to be damaged shall pay the cost of restoring such party wall to its condition prior to such damage.

Section 17.5. Arbitration. In the event of any dispute between Owners concerning a party wall, the Owners on each side shall each select one arbitrator, and the arbitrators thus selected shall select one additional arbitrator. Arbitrators shall be qualified by experience and education to serve as such. Once selected, the arbitrators shall promptly agree upon and notify the parties of the discovery procedures and rules of evidence to be used in the arbitration. The arbitrators shall be requested to reach a decision within twenty days after their appointment. The decision of a majority of the arbitrators shall bind the Owners and their successors in interest. The cost of arbitration shall be paid by the losing party unless the arbitrators determine that the cost should be otherwise allocated between the parties, in which case that allocation shall be binding.

Section 17.6. Fences and Other Barriers. The provisions of this Article pertaining to party walls shall also govern any fence, other barrier or shared improvement originally installed by the Declarant or Builder (except for fences or barriers installed in connection with construction activities) and to any replacement thereof authorized by the Board of Directors or the Covenants Committee. Otherwise, the Upkeep of any fence, other barrier or improvement shall be the responsibility of the Owner installing such fence, barrier or improvement unless different arrangements are agreed to by the adjoining Owners.

Section 17.7. Right to Contribution Runs With Land. Rights and duties of contribution set forth in this Article and any such rights and duties arising under the laws of Virginia shall run with the land and bind successors in interest. This Article shall not prejudice any right of a successor in interest to recover any amount from a predecessor in title for which such predecessor was liable. Any rights of contribution set forth in this Article shall constitute a lien in favor of any Owner entitled to contribution against any Owner obligated to pay such contribution. Until fully paid and satisfied, the lien shall apply to and encumber all of the Lots that were owned, as of the date when payment was due, by the Owner from whom payment was due, and shall also apply to and encumber any and all Lots thereafter acquired by that Owner from the time such Owner becomes the Owner thereof. The lien created by this section shall be prior to all liens and encumbrances, except Mortgages, real estate taxes and other charges levied by governmental authority made superior by law and the Association's lien established pursuant to Section 12.2 hereof.

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

DECLARANT:

PRIMROSE DEVELOPMENT CORPORATION

A Maryland corporation

By: Robert A. Cocker
Authorized Officer

BONDY WAY DEVELOPMENT CORPORATION

A Maryland corporation

By: Robert A. Cocker
Authorized Officer

ASSOCIATION:

CASCADES COMMUNITY ASSOCIATION,
INC.

By: Gregory E. Cox, President
By: Patricia P. Harper, Secretary

I, Gregory R. Cox, the President of CASCADES COMMUNITY ASSOCIATION, INC., hereby certify that the foregoing Amended and Restated Declaration For Cascades has been adopted by the members of the Association in compliance with Article 15 of the Initial Declaration.

October 31, 1990 Gregory R. Cox, President

State OF Maryland)

)SS

County OF Montgomery)

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Robert A. Cocker, Vice President of PRIMROSE DEVELOPMENT CORPORATION, whose name is signed to the foregoing Declaration, has acknowledged the same before me in the aforesaid jurisdiction as duly authorized officer of the corporation.

GIVEN under my hand and seal on October 29, 1990.

Marie Y. Swerdoski (SEAL)

Notary Public

My commission expires: February 1, 1995

State OF Maryland)

)SS

County OF Montgomery)

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Robert A. Cocker, Vice President of BONDY WAY DEVELOPMENT CORPORATION, whose name is signed to the foregoing Declaration, has acknowledged the same before me in the aforesaid jurisdiction as duly authorized officer of the corporation.

GIVEN under my hand and seal on October 29, 1990.

Marie Y. Swerdoski (SEAL)

Notary Public

February 1, 1995

State OF Virginia)

)SS

County OF Fairfax)

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Gregory R. Cox, President of CASCADES COMMUNITY ASSOCIATION, INC., whose name is

signed to the foregoing Declaration, has acknowledged the same before me in the aforesaid jurisdiction as duly authorized officer of the Association.

GIVEN under my hand and seal on October 31, 1990.

Kimberly Wortman (SEAL)

Notary Public

NOVEMBER 30, 1993

State OF Virginia)

)SS

County OF Fairfax)

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Patricia P. Harper, Secretary of CASCADES COMMUNITY ASSOCIATION, INC., whose name is signed to the foregoing Declaration, has acknowledged the same before me in the aforesaid jurisdiction as duly authorized officer of the association.

GIVEN under my hand and seal on October 31, 1990.

Kimberly Wortman (SEAL)

Notary Public

NOVEMBER 30, 1993

EXHIBIT "A" TO THE
DECLARATION FOR CASCADES
SUBMITTED REAL ESTATE

-1-

EXHIBIT A

Lots One Hundred Twenty (120) through One Hundred Sixty-Nine (169), inclusive, and Parcels A and B, Section Two-A (2-A), POTOMAC LAKES, as the same were duly dedicated, platted and recorded in Deed Book 1053, at page 1316, among the land records of Loudoun County, Virginia.

BK7412 1055

Urban Engineering & Associates, Inc.
7712 Little River Turnpike
Annandale, Virginia 22003
703-642-8080

December 8, 1987

Description Of

Parcel "C"

Of The Property Of

Warren K. Montouri, Trustee

Fairfax County, Virginia

Beginning at a point on the westerly right-of-way line of Seneca Road, Route 602, 30.00 feet wide, said point being North 01°11'44" East, 791.32 feet from the northeasterly corner of "Canterwood" subdivision; thence departing said point and running through the property of Warren K. Montouri, Trustee.

North 87°43'00" West, 1228.02 feet to a point on the Fairfax – Loudoun County line; thence with said County line

North 36°57'23" East, 1036.91 feet to a point; thence departing said County line and running

South 77°10'18" East, 643.06 feet to a point on said line of Seneca Road; thence with said Seneca Road

South 01°53'25" West, 662.11 feet to a point; thence

South 01°11'44" West, 73.00 feet to the point of beginning containing 755,324 square feet or 17.33985 acres.

D1/montouri.des

EXHIBIT "A" TO THE
DECLARATION FOR CASCADES
SUBMITTED REAL ESTATE

3

All real estate submitted to the Initial Declaration by Supplementary Declarations
For Cascades recorded after the date of the Initial Declaration.

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

-1-

THE LANDS OF
BROAD RUN MAGISTERIAL DISTRICT
LOUDOUN COUNTY, VIRGINIA

DECEMBER 17, 1986

Said land being bounded on the south of Leesburg Pike; on the west by Route 777, Calvery **(sic)** Temple Church, Environs subdivision and 437 Land Company; on the north by the Northern Virginia Regional Park Authority and on the east by C.E Moore, Dale Investments, Great Falls Forest Joint Venture, Sugarland Run subdivision, **(sic)** Arl Keith subdivision, Jefferson Knolls, R.W. Development Company, Inc. and the Commonwealth of Virginia State Board of Community Colleges and being more particularly described as follows:

Beginning at the southwesterly corner of the Commonwealth of Virginia State Board of Community Colleges said corner being in the northerly right-of-way line of Leesburg Pike, Route 7 (width varies).

Thence, departing the said Commonwealth of Virginia State Board **(sic)** of Community Colleges and running with the northerly line of Leesburg Pike N 57 00' 05' 05" W, 3586.52 feet to an iron pipe set at the southeasterly corner of the land of William Chamberlin.

Thence, departing Leesburg Pike and running with the easterly line of Chamberlin N 15 33' 06" W, 424.43 feet to a point in the easterly line of State Route 777, width varies.

Thence, departing Chamberlin and running with the easterly

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

-2-

BK7412 1058

DESCRIPTION

THE LANDS OF

BROAD RUN MAGISTERIAL DISTRICT

LOUDOUN COUNTY, VIRGINIA

DECEMBER 17, 1986

PAGE TWO

line of State Route 777 along the arc of a curve to the left whose radius is 215.91 feet, 104.12 feet to a found highway monument. Thence, S 74 39' 55" W., 10.00 feet to an iron pipe set in the easterly line of said State Route 777, said point being 15 feet from centerline. Thence, continuing with the easterly line of State Route 777, N 15 33' 06" W, 734.51 feet to an iron pipe set at the southwesterly corner of the land of Hayner, Draper and Welsh, Trustees of Calvary Temple Church.

Thence, departing State Route 777 and running with the easterly and northerly lines of said Calvary Temple Church, N 74 57' 27" E, 882.78 feet to an iron pipe found, N 00 18' 20" E, 259.16 feet to an iron pipe found and (N 73 23' 38" W, 505.28 feet to an iron pipe found) and N 23 42' 02" E, 22.98 feet to an iron pipe found at the southwesterly corner of Section 7, Environs subdivision.

Thence departing said Hayner, Draper and Welsh, Trustees of Calvary Temple Church and running with the easterly lines of Section 7, Section 4 and Section 1 of Environs subdivision, the following metes and bounds:

N 23 01' 34" E, 408.77 feet to an iron pipe set;
N 22 23' 15" E, 1266.45 feet to an iron pipe set;
S 81 29' 21" E, 747.46 feet to an iron pipe found;
N 09 17' 47" E, 494.54 feet to an iron pipe found;

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

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BK7412 1059
DESCRIPTION
THE LANDS OF
BROAD RUN MAGISTERIAL DISTRICT
LOUDOUN COUNTY, VIRGINIA
DECEMEBR 17, 1986
PAGE THREE

N 80 31' 36" W, 329.52 feet to an iron pipe found;

N 07 01' 29" E, 1347.71 feet to an iron pipe set in the southerly lines of the
land of 437 Land Company.

Thence, departing Environs subdivision and running with the southerly and
easterly lines of said 437 Land Company, S 83 44' 19" E, 1775.38 feet to
a concrete monument found and N 00 34' 06" E, 3165.69 feet to a
"PEPCO" monument found at the southwesterly corner of Northern
Virginia Regional Park Authority.

Thence, departing said 437 Land Company and running with the southerly line of
said Northern Virginia Regional Park Authority, S 81 07' 21" E, 3737.91
feet to a "PEPCO" monument found, N 15 03' 51" E, 1014.99 feet to a
"PEPCO" monument line found and S 79 10' 05" E, (passing through a
"PEPCO" monument at 5108.84), 5140.83 feet to a point in the westerly
line of the land of C.E. Moore, said point being in the middle of Sugarland
Run.

Thence, departing Northern Virginia Regional Park Authority and running with the
westerly lines of C.E. Moore, Dale Investments and Great Falls Forest
Joint Venture, said lines being the middle of Sugarland Run, the following
metes and bounds:

S 04 57' 08" W, 81.23 feet to a point;

S 12 13' 50" W, 78.04 feet to a point;

S 29 25' 12" W, 107.00 feet to a point;

S 11 15' 42" W, 176.00 feet to a point;

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

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BK7412 1060
DESCRIPTION
THE LANDS OF
BROAD RUN MAGISTERIAL DISTRICT
LOUDOUN COUNTY, VIRGINIA
DECEMBER 17, 1986
PAGE FOUR

S 00 45' 06" W, 229.00 feet to a point;
S 16 15' 35" E, 115.00 feet to a point;
S 47 31' 30" E, 117.00 feet to a point;
S 25 20' 24" E, 90.00 feet to a point;
S 00 30' 52" E, 83.00 feet to a point;
S 24 03' 50" W, 113.34 feet to a point;
S 11 15' 49" W, 55.52 feet to a point;
S 24 13' 49" W, 126.70 feet to a point;
S 73 24' 59" W, 47.87 feet to a point;
N 71 34' 21" E, 85.72 feet to a point;
S 63 28' 09" W, 243.19 feet to a point;
S 53 30' 49" W, 66.74 feet to a point;
S 24 37' 59" W, 126.39 feet to a point;
S 51 02' 49" W, 72.10 feet to a point;
S 71 43' 59" W, 249.49 feet to a point;
S 65 40' 12" W, 55.44 feet to a point;
S 21 26' 36" W, 120.33 feet to a point;
S 04 48' 04" E, 143.50 feet to a point;
S 53 40' 39" E, 84.40 feet to a point;
S 41 40' 47" E, 341.40 feet to a point;
S 18 26' 21" E, 173.93 feet to a point;
S 37 18' 30" E, 132.00 feet to a point;
S 24 43' 54" E, 167.34 feet to a point;

BK7412 1061

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

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DESCRIPTION
THE LANDS OF
BROAD RUN MAGISTERIAL DISTRICT
LOUDOUN COUNTY, VIRGINIA
DECEMBER 17, 1986
PAGE FIVE

S 33 27' 28" E, 201.36 feet to a point;
S 21 37' 21" E, 580.86 feet to a point;
S 40 49' 10" E, 145.34 feet to a point;
S 28 37' 02" E, 284.88 feet to the northeasterly corner of Section 2,
Sugarland Run subdivision.

Thence, departing Great Falls Forest Joint Venture and the middle of Sugarland Run and running with the northerly line of Section 2, Sugarland Run subdivision and continuing with Section 1 of Sugarland Run subdivision, N 83 03' 18" W, 4096.17 feet to an original concrete monument found; S 01 03' 38" E, 1154.85 feet to an iron pipe set and N 81 27' 05" W, (passing through an iron pipe found at the original northwesterly corner of Sugarland Run subdivision at 2081.95") 2191.95 feet to an iron pipe set in the westerly line of State Route 637 said point being 20 feet west of the centerline of said State Route 637.

Thence, running with the westerly line of said State Route 637, S 09 22' 36" W, 1020.74 feet to an iron pipe set.

Thence, departing the westerly line of State Route 637 and running with the northerly and westerly lines of Arl Keith subdivision N 80 13' 02" W, (passing through an iron pipe at 5.32 feet) 2248.71 feet to a found stone; thence, S 39 32' 56" E, 540.02 feet to a found stone; thence, S 21 10' 09" E, 330.36 feet to an iron pipe set and S 01 00' 32" E. 34.68 feet to a found axle at the northwesterly corner of Jefferson Knolls subdivision.

EXHIBIT "B" TO
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DESCRIPTION
THE LANDS OF
BROAD RUN MAGISTERIAL DISTRICT
LOUDOUN COUNTY, VIRGINIA
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Thence, departing the westerly line of Arl Keith subdivision and running with the westerly line line (**sic**) of Jefferson Knolls S 18 31' 30" W, 371.73 feet to an iron pipe found at the most northeasterly corner at the land of R.W. Development Company.

Thence, departing Jefferson Knolls subdivision and running with the northerly and westerly lines of R.W. Development, N 74 25' 33" W, 346.56 feet to an iron pipe found and S 16 18' 46" W, 1114.38 feet to a found stone. Thence, continuing with the southerly line of R.W. Development Company, S 72 43' 13" E, 431.97 feet to an iron pin found at the northwesterly corner of the said land of the Commonwealth of Virginia State Board of Community Colleges.

Thence, departing R.W. Development and running with the westerly line of the Commonwealth of Virginia State Board of Community Colleges, S 19 09' 09" W, (passing through an iron pipe found at 2792.98 feet) 2793.35 feet to the point of beginning.

CONTAINING 1342.0154 ACRES

EXHIBIT "B" TO
THE DECLARATION
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BK7412 1063

Urban Engineering & Associates, Inc.

7712 Little River Turnpike

Annandale, Virginia 22003

703-642-8080

ORIGINAL NOT CLEAR

Revised

September 10, 1986

Description of
The Property To Be Conveyed To
AOKI AMERICA INC.
(Known as the "Cascades")
Fairfax County and Loudoun County, Virginia

Beginning at a found stone being the southwesterly corner of "Canterwood" subdivision and being a point on the northerly line of the property now or formerly of Nalls; thence departing said point and running with said line of Nalls and the northerly line of Brockman Lane, Route 603 as recorded with "Great Falls Forest" subdivision.

North 83°14'55" West, 3091.95 feet (crossing the Fairfax – Loudoun County line at 1344.92 feet) to a point; thence running with the easterly line of "Great Falls Forest" and others

North 08°33'59" East, 8390.05 feet to a point in the center of Old Sugarland Run; thence meandering with the Old Sugarland Run and the line of Moore

North 81°34'31" West, 277.93 feet to a point; thence

North 84°33'01" West, 300.20 feet to a point; thence

EXHIBIT "B" TO
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ORIGINAL NOT CLEAR

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South 70°22'39" West, 161.97 feet to a point, thence
North 83°53'01" West, 200.06 feet to a point; thence
South 83°37'39" West, 233.10 feet to a point, thence
South 85°09'39" West, 202.09 feet to a point; thence
South 87°23'39" West, 203.39 feet to a point; thence
South 55°45'39" West, 265.74 feet to a point; thence
North 56°33'21" West, 310.60 feet to point; thence
South 68°57'39" West, 358.29 feet to a point; thence
South 53°13'09" West, 203.36 feet to a point being the easterly corner of
the property now or formerly of P.E.P.CO.; thence departing said Moore and
running with said center of Old Sugarland Run and the line of said P.E.P.CO.

South 80°56'39" West, 295.95 feet to a point; thence
North 79°39'31" West, 220.14 feet to a point; thence
North 85°17'21" West, 280.10 feet to appoint; thence
North 53°43'01" West, 186.58 feet to a point; thence
North 13°09'01" West, 135.78 feet to a point; thence
North 10°24'49" East, 168.85 feet to a point; thence
North 17°55'31" West, 244.25 feet to a point; thence
North 49°42'11" West, 262.96 feet to a point; thence
South 72°18'19" West, 437.04 feet to a point; thence
North 82°22'01" West, 349.21 feet to a point, thence

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
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ORIGINAL NOT CLEAR

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North 28°57'51" West, 208.80 feet to a point; thence
North 33°48'51" West, 167.39 feet to a point; thence
North 08°37'51" West, 179.33 feet to a point; thence
North 53°13'09" East, 305.07 feet to a point; thence
North 79°38'19" East, 346.53 feet to a point; thence
North 68° 37'29" East, 230.70 feet to a point; thence
North 60°53'01" West, 429.89 feet to a point on the southerly shore of the
Potomac River; thence departing said P.E.P.CO. and running with said southerly
shore of the Potomac River

North 76°00'39" East 316.91 feet to a point; thence
North 77°18'49" East, 598.66 feet to a point; thence
North 83°26'49" East, 600.40 feet to a point; thence
North 78°49'09" East, 232.73 feet to a point; thence
North 87°19'09" East, 1207.16 feet to a point; thence
South 86°41'31" East, 1859.00 feet to a point; thence
North 83°33'59" East, 659.04 feet to a point; thence
North 84°04'29" East, 500.17 feet to a point; thence
North 82°41'39" East, 500.63 feet to a point; thence
North 84°45'39" East, 500.05 feet to a point; thence

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
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ORIGINAL NOT CLEAR

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North 85°46'29" East, 463.52 feet to a point; thence
South 89°14'01" East, 600.14 feet to a point; thence
South 75°12'31" East, 330.58 feet to a point; thence
South 73°13'31" East, 772.17 feet to a point; thence
South 69°46'01" East, 510.25 feet to a point; thence
South 61°49'41" East, 234.77 feet to a point; thence crossing an old mill
race in which the current of the river flows

South 70°00'01" East, 386.93 feet to a point; thence

South 78°55'11" East, 418.48 feet to a point in the center of a channel
between the property herein described and an island; thence with said channel in
which the current of the river flows

South 45°27'41" East, 567.53 feet to a point; thence

South 37°37'11" East, 706.94 feet to a point in the center of Old Sugarland
Run; thence departing said (sic) Potomac River and meandering with the center
of said Old Sugarland Run and the land of the Northern Virginia Regional Park
Authority

North 63°13'41" West, 273.91 feet to a point; thence

North 77°59'31" West, 404.48 feet to a point; thence

North 63°44'11" West, 659.75 feet to a point; thence

North 70°38'21" West, 333.21 feet to a point; thence

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

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BK7412 1067

ORIGINAL NOT CLEAR

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South 55°45'39" West, 87.20 feet to a point; thence
North 71°06'17" West, 84.70 feet to a point; thence
South 88°15'00" West, 99.60 feet to a point; thence
South 71°12'04" West, 100.50 feet to a point; thence
South 84°45'04" West, 206.00 feet to a point; thence
South 72°03'04" West, 311.00 feet to a point; thence
South 49°15'04" West, 365.20 feet to a point; thence departing said center
of Old Sugarland Run and running with the lines of Northern Virginia Regional
Park Authority

South 01°42'04" West, 1849.00 feet to a monument found; thence

South 85°07'56" West, 1122.95 feet to a point in the westerly right-of-way
line of Seneca Road, Route 602, 30.00 feet wide; thence departing said Northern
Virginia Regional Park Authority and running with said line of Seneca Road

South 01°03'39" West, 723.57 feet (crossing the Fairfax - Loudoun County
line at 505.60 feet) to a point; thence

South 11°32'19" West, 692.60 feet to a point; thence

South 10°09'19" West, 393.35 feet to a point; thence

South 13°52'19" West, 100.18 feet to a point; thence

South 30°46'49" West, 96.71 feet to a point; thence

EXHIBIT "B" TO
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ORIGINAL NOT CLEAR

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South 39°27'09" West, 1445.52 feet to a point; thence
South 39°25'39" West, 53.06 feet to a point; thence
South 01°53'25" West, 662.11 feet to a point; thence
South 01°11'44" West, 864.32 feet to a point being the northeasterly
corner of said "Canterwood" subdivision; thence departing Seneca Road and
running with the lines of "Canterwood"

North 83°46'33" West, 556.63 feet to a point; thence
North 06°01'51" East, 300.34 feet to a point; thence
North 83°58'09" West, 706.99 feet to a point, **(sic)** thence
South 06°01'52" West, 400.00 feet to a point; thence
North 83°58'09" West, 511.37 feet to a point on the Fairfax – Loudoun
County, Virginia line; thence with said County line

South 36°57'23" West, 1101.90 feet to a point; thence departing said
County line and running with the westerly line of "Canterwood"

South 03°54'54" East, 1776.26 feet to the point of beginning.

LESS AND EXCEPT Parcel A, containing 1.29822 acres and Parcel B
containing 7.19077 acres conveyed to The Fairfax County Water Authority in
deed recorded August 17, 1979 in Deed Book 738, Page 293, of the land records
of Loudoun County, Virginia and as shown on plat recorded with Certificate
among the land records of Loudoun County,

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
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ORIGINAL NOT CLEAR

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Virginia in Deed Book 713, Page 190.

The area hereby conveyed contains 55,688,501 square feet or 1278.43204 acres of which 51,344,084 square feet or 1178.69794 lies within Loudoun County, Virginia and 4,344,417 square feet of 99.73410 acres lies within Fairfax County, Virginia.

NOTE: FAIRFAX COUNTY WATER AUTHORITY, PARCELS "A" AND "B" ARE NOT INCLUDED IN THESE AREAS.

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

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BK7412 1070

ORIGINAL NOT CLEAR

DESCRIPTION OF THE LAND OF THE MILTON COMPANY
BROAD RUN MAGISTERIAL DISTRICT,
LOUDOUN COUNTY, VIRGINIA

BEGINNING AT A POINT in the westerly line of Route #637, said point being the northeasterly corner of THE LAND OF COMMONWEALTH OF VIRGINIA;

THENCE departing the westerly line of route #637 and running with the northerly line of THE LAND OF NVKETTLER. The following courses and distances: N65° 31' 59"W 714.07 feet to a point, 526° 13' 51"W 337.11 feet to a point;; N31° 01' 04"W 570.59 feet to a point, N67° 05' 59"W 87.75 feet to a point, N67° 25' 29"W 161.33 feet to a point and N66° 13' 16"W 431.97 feet to a point;

THENCE running with the easterly and a southerly line of NVKETTLER, N22° 48' 43"E 1114.38 feet to a point; S67° 55' 36"E 346.56 feet to a point in the westerly line of JEFFERSON KNOLLS, said point being a southeasterly corner of NVKETTLER;

THENCE running with westerly and southerly lines of JEFFERSON KNOLLS the following courses and distances: S25° 00' 50"W 404.59 feet to a point and S73° 41' 00"E 1590.53 to a point in the aforementioned westerly line of ROUTE #637;

THENCE running with the westerly line of ROUTE #637 the following courses and distances: S22° 36' 36"W 48.78 feet to a point, S25° 08' 41"W 849.99 feet to a point and S26° 08' 54"W 24.16 feet to the point of BEGINNING CONTAINING 39.7044 ACRES.

HUNTLEY, NYCE AND ASSOCIATES

APRIL 20, 1987

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EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

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BK7412 1071

Urban Engineering & Associates, Inc.

7712 Little River Turnpike

Annandale, Virginia 22003

703-642-8080

ORIGINAL NOT CLEAR

December 8, 1987

Description of

Parcel "B"

Of The Property Of

Warren K. Montouri, Trustee

Fairfax County, Virginia

Beginning at a point of the westerly right-of-way line of Seneca Road, Route 602, 30.00 feet wide, said point being the northeasterly corner of "Canterwood" subdivision; thence departing said point and running with the lines of said "Canterwood" subdivision

North 83°46'33" West, 556.63 feet to a point; thence

North 06°01'51" East, 300.34 feet to a point; thence

North 83°58'09" West, 706.99 feet to a point; thence

South 06°01'51" West, 400.00 feet to a point; thence

North 83°58'09" West, 511.37 feet to a point on the Fairfax – Loudoun County line; thence departing "Canterwood" subdivision and running with said County line

North 36°57'23' East, 939.61 feet to a point being the southwesterly corner of Homestead Parcel "A"; thence running with

BK7412 1072

ORIGINAL NOT CLEAR

the southerly line of said Parcel "A"

South 87°43'00" East, 1228.02 feet to a point on said line of Seneca Road;
thence running with said lien of Seneca Road

South 01°11'44" West, 791.32 feet to the point of beginning containing
926,55 square feet or 21.27087 acres.

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
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BK7412 1073

ORIGINAL NOT CLEAR

SCHEDULE A
christopher consultants ltd.
engineering – surveying – land planning
10 pidgeon hill drive
sterling, va 22170
(703) 444-3707
metro 450-4966

DESCRIPTION
THE LAND OF
DONNA LEE JAMISON
GUILFORD ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA
JUNE 29, 1988

Beginning at an iron pipe found at the northeasterly corner of Lunn, in the southerly right-of-way line of Harry Byrd Highway, State Route 7.

Thence, departing Lunn and running with the southerly line of Leesburg Pike, S 57° 00' 01" E, 891.07 feet to an iron pipe found at the northwesterly corner of Potomac Baptist Church.

Thence, departing State Route 7, and running with the westerly line of Potomac Baptist Church, S 23° 56' 05" W, 687.11 feet to an iron pipe found in the northerly line of Caudle.

Thence, departing Potomac Baptist Church and running with the northerly line of Caudle, N 57° 00' 48" W, 234.22 feet to an iron pipe found.

Thence, running with the westerly line of said Caudle, S 01° 46' 04" W, 988.54 feet to a stone found and continuing with the westerly line of Houndershell, S 09° 25' 24" E, 506.40 feet to a stone found at the northeasterly corner of Overstreet.

Thence, departing Houndershell and running with the northerly line of Overstreet and continuing with Thorton, First Baptist church, Roberts, Robinson and Glenn, N 79° 01' 38" W, 922.72 feet to a stone found, a corner common to Glenn , Nokes and Loudoun Tech Center, Parcel D.

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

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DESCRIPTION
THE LAND OF
DONNA LEE JAMISON
GUILFORD ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA
JUNE 29, 1988
PAGE TWO
ORIGINAL NOT CLEAR

Thence, departing Glenn and Nokes and running with the easterly line of Loudoun Tech Center, Parcel D and continuing with Loudoun Tech Center, Lot 11, N 15° 45' 47" W, 1404.03 feet to an iron pipe found at the southwesterly corner of Fried.

Thence, departing Loudoun Tech Center, Lot 11 and running with the southerly line of Fried, S 86° 36' 17" E, 524.22 feet to a stone found at the southwesterly corner of said Lunn.

Thence, running with the southerly and easterly lines of Lunn, S 82° 57' 58" E, 320.10 feet to a stone found and N 06° 49' 43" E, 1024.10 feet to the point of beginning.

CONTAINING 46.0513 ACRES MORE OR LESS

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

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BK7412 1075

ORIGINAL NOT CLEAR

christopher consultants ltd.
engineering – surveying – land planning
10 pidgeon hill drive
sterling, va 22170
(703) 444-3707
metro 450-4966

DESCRIPTION
THE LAND OF
OSGOOD LIMITED PARTNERSHIP
GUILFORD ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA
DECEMBER 31, 1987

Beginning at the northeasterly corner of the tract herein described, said point being a iron pipe set, a corner to N/F Lunn and a point in the southerly variable width right-of-way of Harry Byrd Highway, Route 7.

Thence, departing the said right-of-way of Harry Byrd Highway, Route 7 and running with said N/F Lunn S 08° 24' 33" W, 1169.02 feet to a stone found, a corner to N/F Jamison.

Thence, departing said N/F Lunn and running with said N.F. Jamison N 86° 36' 17" W, 524.22 feet to a iron pipe found, a point in the line of Lot 11, Section Two Loudoun Tech Center.

Thence, departing said N/F Jamison and running with said Lot 11 and continuing with Lot 5A, Lot 4A, Lot 3A-2, Lot 3A-1 and Lot 2 Loudoun Tech Center Section One, N 15° 45' 47" W, 1874.97 feet to a iron pipe set in the said right-of-way or Harry Byrd Highway, Route 7.

Thence, departing said Lot 2 and running with the said right-of-way of Harry Byrd Highway, Route 7 the following metes and bounds:
N 32° 59' 54" E, 52.44 feet to a VDH Monument Found;

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ORIGINAL NOT CLEAR

DESCRIPTION
THE LAND OF
OSGOOD LIMITED PARTNERSHIP
GUILFORD ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA
DECEMBER 31, 1987
PAGE TWO

Thence, S 61° 55' 44" E, 291.08 feet to a VDH Monument Found;
Thence, S 55° 34' 11" E, 400.13 feet to a VDH Monument Found;
Thence, S 60° 06' 32" E, 350.52 feet to a VDH Monument Found;
Thence, S 57° 00' 06" E, 300.00 feet to a VDH Monument Found;
Thence, S 56° 20' 49" E, 39.28 feet to the point of beginning.

CONTAINING 28.9942 ACRES MORE OR LESS

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE
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BK7412 1077

ORIGINAL NOT CLEAR

christopher consultants ltd.
engineering – surveying – land planning
10 pidgeon hill drive
sterling, va 22170
(703) 444-3707
metro 450-4966

DESCRIPTION
LAND OF
CARRIE E. NOKES; MELDRED M. RUSS;
IDA M. CLARK; ARNETHA E. JACKSON AND
CLARENCE L. NOKES, JR.
GUILFORD ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA
FEBRUARY 3, 1988

Beginning at an iron pipe set at the southwest corner of land herein described,
said corner being common to Loudoun Tech Center, Section 3, Parcel D-1
and N/F Miller & Smith Land, Inc.;

Thence, departing said N/F Miller & Smith Land, Inc. and along said Loudoun
Tech Center, Section 3, Parcel D-1, N 30° 19' 42" E, 339.80 feet to an iron
pipe found, corner of said Parcel D-1 and Parcel D-2, Loudoun Tech
Center, Section 3;

Thence, departing said Parcel D-1 and running along said Parcel D-2, S 81° 15'
31" E, 459.50 feet to an iron pipe set, corner to N/F Albert and Estelle
Brooks;

Thence, departing said Loudoun Tech Center, Section 3, Parcel D-2 and with
said N/F of Albert & Estelle Brooks; S 11° 36' 31" W, 186.52 feet to an iron
pipe found in the 30 foot prescriptive easement of State Route 637 and
corner to N/F of Brooks;

Thence, with said N/F Brooks and said 30 foot prescriptive easement of State
Route 637 S 78° 23' 29" E, 100.00 feet to an iron pipe found, corner to
said N/F Brooks;

EXHIBIT "B" TO
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ADDITIONAL REAL ESTATE

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BK7412 1078

ORIGINAL NOT CLEAR

DESCRIPTION LAND OF
CARRIE E. NOKES; MILDRED M. RUSS;
IDA M. CLARK; ARNETHA E. JACKSON AND
CLARENCE L. NOKES, JR.
GUILFORD ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA
FEBRUARY 3, 1988
PAGE TWO

Thence, departing, the said 30 foot prescriptive easement f State Route 637 and
with said N/F Brooks, N 11° 36' 31" E, 191.53 feet to an iron pipe set in
line of said Loudoun Tech Center, Section 3, Parcel D-2.

Thence, departing said N/F Brooks and with said Loudoun Tech Center, Section
3, Parcel D-2, S 81° 15' 31" E, 312.75 feet to a stone found,

Thence, continuing with said Loudoun Tech Center, Section 3, Parcel D-2, N 79°
54' 00" E, 231.28 feet to a stone found at the common corner to said
Loudoun Tech Center, Section 3, Parcel D-2, N/F Jamison and N/F Glenn.

Thence, departing said Loudoun Tech Center, Section 3, Parcel D-2, and N/F
Jamison and with said N/F Glenn and the variable width right-of-way of
State Route 637, S 15° 06' 15" E, 422.81 feet to a point in the centerline of
State Route 637, and a point in the line of said N/F Miller & smith Land,
Inc.;

Thence, departing the said right-of-way of State Route 637 and running with said
Miller & Smith Land, Inc., the following metes and bounds: N 76° 55' 35"
W, 27.67 feet to a point in the centerline of State Route 637;

Thence, N 81° 30' 45" W, 146.03 feet to an iron pipe found;

Thence, N 65° 36' 08" W, 179.03 feet to a point of curvature;

Thence, a distance of 203.74 feet along the arc of a curve to the left, said curve
having a radius of 915.00 feet (delta 12° 45' 28"; tangent 102.29 feet;
chord 203.32 feet; chord bearing N 71° 58' 53" W) to a point of tangency;

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
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BK7412 1079

ORIGINAL NOT CLEAR

DESCRIPTION LAND OF
CARRIE E. NOKES; MILDRED M. RUSS;
IDA M. CLARK; ARNETHA E. JACKSON AND
CLARENCE L. NOKES, JR.
GUILFORD ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA
FEBRUARY 3, 1988
PAGE THREE

Thence, N 78° 21' 37" 225.44 feet to a point of curvature;

Thence, a distance of 228.07 feet along the arc of a curve to the left, said curve
having a radius of 685.00 feet (delta 19° 04' 34"; tangent 115.10 feet;
chord 227.01 feet; chord bearing N 87° 53' 53" W) to a point of tangency;

Thence, S 82° 33' 50" W, 254.75 feet to an iron pipe found;

Thence, N 81° 30' 45" W, 145.24 feet to the point of beginning.

CONTAINING 7.2651 ACRES MORE OR LESS

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

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BK7412 1080

ORIGINAL NOT CLEAR

christopher consultants ltd.
engineering – surveying – land planning
10 pidgeon hill drive
sterling, va 22170
(703) 444-3707
metro 450-4966

DESCRIPTION
PORTION OF THE LAND OF
PARCEL D-2, SECTION 3
LOUDOUN TECH CENTER
GUILFORD ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA
SEPTEMBER 2, 1988

Beginning at a corner common to Glenn and Nokes and Kettler and Scott, Inc.

Thence, departing Glenn and Kettler and Scott, Inc., and running with the
northerly line of Nokes, S 79° 54' 00" W, 231.28 feet to a point; and N 81°
15' 31" W, 757.19 feet to a point.

Thence, departing Nokes and running through the land of Parcel D-2, Section 3,
Loudoun Tech Center and running 357.99 feet along the arc of a curve to
the right, whose radius is 1041.74 feet (delta 19° 41' 22"; tangent 180.78;
chord bearing N 57° 28' 09" E; chord 356.23 feet) to a point.

Thence, N 67° 18' 50" E, 193.84 feet to a point.

Thence, running 408.44 feet along the arc of a curve to the left whose radius is
1041.74 feet (delta 22° 27' 52"; tangent 206.88 feet; chord bearing N 56°
04' 54" E; chord 405.83 feet) to a point in the westerly line of said Kettler
and Scott, Inc.

Thence, running with said Parcel D-2, Section 3, Loudoun Tech Center and the
westerly line of Kettler and Scott, Inc., S 15° 45' 47" E, 589.47 feet to the
point of beginning.

CONTAINING 6.7472 ACRES LAND MORE OR LESS

RE: SPRINGLAKES

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

-25-

BK7412 1081

ORIGINAL NOT CLEAR

christopher consultants ltd.
engineering – surveying – land planning
10 pidgeon hill drive
sterling, va 22170
(703) 444-3707
metro 450-4966

DESCRIPTION
LAND OF
ALBERT BROOKS
AND
ESTELLE BROOKS
GUILFORD ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA
FEBRUARY 3, 1988

Beginning at the southwesterly corner of the tract herein described, said point being an iron pipe found, a corner to N/F Nokes and a point in the northerly 30 feet prescriptive easement line of Sterling Road Route 637.

Thence, departing the said right-of-way of Sterling Road Route 637 and running with said N/F Nokes N 11° 36' 31" E, 186.52 feet to an iron pipe set in the line of Loudoun Tech Center, Section 3, Parcel D-2.

Thence, departing said N/F Nokes and running with said Loudoun Tech Center, Section 3, Parcel D-2, S 81° 15' 31" E, 100.13 feet to an iron pipe set, a corner to said N/F Nokes.

Thence, departing said Loudoun Tech Center, Section 3, Parcel D-2 and running with said N/F Nokes S 11° 36' 31" W, 191.53 feet to an iron pipe found, a corner to said N/F Nokes and a point in the said 30 foot prescriptive easement of Sterline (**sic**) Road Route 637.

Thence, continuing with said N/F Nokes and with the said 30 foot Prescriptive easement of Sterling Road Route 637, N 78° 23' 29" W. 100.00 feet to the point of beginning.

CONTAINING 0.4339 ACRES MORE OR LESS

EXHIBIT "B" TO
THE DECLARATION
FOR CASCADES
ADDITIONAL REAL ESTATE

-26-

DESCRIPTION OF
LOWES ISLAND GOLF COURSE PARCEL
"CASCADES"
BEING A PORTION OF
THE PROPERTY OF
N V KETTLER L.P.
LOUDOUN COUNTY, VIRGINIA

Beginning at a point on the southerly shore of the Potomac River, being the northeasterly corner of the Fairfax County Water Authority, Parcel "A" as acquired in Deed Book 738 at Page 293 among the land records of Loudoun County, Virginia; thence departing said point and running with said southerly shore of the Potomac River

North 85°46'29" East, 37.82 feet to a point; thence
South 89°14'01" East, 600.14 feet to a point; thence
South 75°12'31" East, 330.58 feet to a point; thence

South 73°13'31" East, 772.17 feet to a point; thence

South 69°46'01" East, 310.25 feet to a point; thence departing said Potomac River and running through (sic) the property of NVKettler L.P. along a new division line as now established

South 21°34'53" East, 120.75 feet to a point; thence

South 49°59'51" East, 172.73 feet to a point; thence

South 02°41'28" West, 322.83 feet to a point; thence

South 11°40'33" East, 224.36 feet to a point in Old Sugarland Run: thence meandering with the center of Old Sugarland Run

South 71°12'04" West, 100.50 feet to a point; thence

South 84°45'04" West, 206.00 feet to a point; thence

South 72°03'04" West, 311.00 feet to a point; thence

South 49°15'04" West, 365.20 feet to a point; thence departing said center of Old Sugarland Run and running with the westerly line of the Northern Virginia Regional Park Authority

South 01°42'04" West, 800.00 feet to a point, passing through a stone found at 50.00 feet; thence departing the Northern Virginia Regional Park Authority and running through the property of NV Kettler L.P. with a division line as now established

South 52°47'09" West, 494.00 feet to a point; thence

South 06°21'46" East, 275.00 feet to a point; thence

South 67°12'14" West, 134.00 feet to a point; thence

North 50°18'09" West, 300.00 feet to a point; thence

North 77°54'36" West, 383.00 feet to a point; thence

South 03°17'07" West, 917.00 feet to a point; thence
South 11°19'04" East, 835.53 feet to a point; thence
South 16°22'13" East, 180.00 feet to a point; thence
South 49°47'47" East, 94.31 feet to a point; thence
South 05°14'56" East, 269.34 feet to a point; thence
South 26°32'50" East, 208.10 feet to a point; thence
South 02°14'30" West, 115.20 feet to a point; thence
South 16°22'13" East, 211.00 feet to a point; thence
South 04°12'06" East, 379.01 feet to a point; thence
South 46°11'04" West, 104.00 feet to a point; thence
South 81°54'13" West, 119.00 feet to a point; thence
North 62°24'53" West, 378.00 feet to a point; thence
North 07°02'03" West, 1019.00 feet to a point; thence
North 17°51'48" West, 346.00 feet to a point; thence
South 87°57'42" West, 123.00 feet to a point; thence
North 15°29'48" West, 91.00 feet to a point; thence
North 05°14'13" East, 365.00 feet to a point; thence
North 50°26'04" West, 171.00 feet to a point; thence
North 08°49'56" West, 126.86 feet to a point being the southeasterly
corner of the Fairfax County Water Authority, Parcel "B" as acquired in Deed
Book 738 at Page 293 among said land records; thence running with the
northerly lines of said Parcel "B"

Due North, 530.00 feet to a point; thence

Due West, 591.00 feet to a point; thence

Due South, 530.00 feet to a point; thence departing said Parcel "B" and running with said division line as now established

Due West, 117.00 feet to a point; thence

South 14°54'44" West, 566.00 feet to a point; thence

South 24°50'10" East, 117.11 feet to a point; thence

42.69 feet along the arc of a curve deflecting to the left having a radius of 486.00 feet and a chord bearing and distance of South 58°18'50" West, 42.67 feet to a point; thence

South 55°47'51" West, 134.44 feet to a point, thence

107.28 feet along the arc of a curve deflecting to the right having a radius of 414.00 feet and a chord bearing and distance of South 63°13'15" West, 106.98 feet to a point; thence

North 71°10'23" West, 506.66 feet to a point; thence

North 15°57'57" East, 597.00 feet to a point; thence

North 67°25'24" West, 81.00 feet to a point; thence

North 14°29'09" East, 237.00 feet to a point; thence

North 75°08'28" East, 293.00 feet to a point; thence

North 02°36'02" West, 289.00 feet to a point; thence

North 87°05'13" West, 61.98 feet to a point; thence

South 51°43'46" West, 241.43 feet to a point; thence

North 71°41'49" West, 325.82 feet to a point; thence

South 81°14'59" West, 285.29 feet to a point; thence

South 43°15'51" West, 70.04 feet to a point; thence

North 88°34'21" West, 321.10 feet to a point; thence

South 37°39'56" West, 144.01 feet to a point; thence
South 68°38'56" West, 118.11 feet to a point; thence
North 63°41'35" West, 198.56 feet to a point; thence
South 82°35'19" West, 159.47 feet to a point on a westerly line of NV
Kettler L.P. being the easterly line of the property of C.E. Moore; thence
departing said point and running with said easterly line of C.E. Moore

North 08°33'59" East, 1335.00 feet to a point in the center of Old
Sugarland Run; thence meandering with the center of Old Sugarland Run and
the northerly lines of C.E. Moore

North 81°34'31" West, 277.93 feet to a point; thence
North 84°33'01" West, 300.20 feet to a point; thence
South 70°22'39" West, 161.97 feet to a point; thence
North 83°53'01" West, 200.06 feet to a point; thence
South 83°37'39" West, 233.10 feet to a point; thence
South 85°09'39" West, 202.09 feet to a point; thence
South 87°23'39" West, 203.39 feet to a point; thence
South 55°45'39" West, 265.74 feet to a point; thence
North 56°33'21" West, 152.56 feet to a point; thence departing said C.E.
Moore and Old Sugarland Run and running through said property of NV Kettler
L.P. along a new division line as now established

North 16°41'37" West, 2026.70 feet to a point on said southerly shore of
the Potomac River; thence running with said southerly shore of the Potomac
River

North 87°19'09" East, 1102.76 feet to a point; thence

South 86°41'31" East, 1859.00 feet to a point; thence
North 83°33'59" East, 659.04 feet to a point; thence
North 84°04'29" East, 500.17 feet to a point; thence
North 82°41'39" East, 500.63 feet to a point; thence
North 84°45'39" East, 500.05 feet to a point; thence
North 85°46'29" East, 44.66 feet to the northwesterly corner of the
aforesaid Fairfax County Water Authority, Parcel "A"; thence departing said shore
of the Potomac River and running with the southerly lines of said Parcel "A"
Due South, 134.78 feet to a point; thence
Due East, 380.00 feet to a point; thence
Due North, 162.85 feet to the point of beginning containing 20,252,966
square feet or 464.94413 acres, more or less.

EXHIBIT "C" TO THE
DECLARATION FOR CASCADES
PLAT SHOWING SUBMITTED
AND ADDITIONAL REAL ESTATE

EXHIBIT C

The plat is attached as an exhibit to the Initial Declaration recorded in Deed Book 1053 at page 1202 among the land records of Loudoun County, Virginia. The Plat itself begins in Deed Book 1053 at page 1313 among the aforesaid land records.