AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

POTOMAC GREENS

made by

POTOMAC GREENS ASSOCIATES, LLC

a Virginia limited liability company

50483500

Record and Return to: Greenstein DeLorme & Luchs, P.C. 1620 L Street, N.W., Suite 900 Washington, D.C. 20036-5605 Attn: JRS

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AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

POTOMAC GREENS

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF POTOMAC GREENS ("Amended and Restated Declaration") is made effective for all intents and purposes as of the _____ day of _____, 2004, by POTOMAC GREENS ASSOCIATES, LLC, a Virginia limited liability company (hereinafter the "Declarant"), and POTOMAC GREENS HOMEOWNERS ASSOCIATION, INC., a Virginia corporation (hereinafter the "Association").

WITNESSETH:

WHEREAS, the Declarant is the owner of real property located in the City of Alexandria, Virginia, as more particularly described on <u>Exhibit A</u> which is attached hereto and incorporated herein by reference; and

WHEREAS, the Declarant is developing on the Property (as hereinafter defined) a residential community with permanent open spaces and other common facilities for the benefit of the community, including, but not limited to, certain park land and such other areas to; and

WHEREAS, in order to provide for the preservation and enhancement of the property values, amenities, and opportunities in the community which will contribute to the personal and general health, safety, and welfare of residents and for the maintenance of the land and improvements thereon, the Declarant subjected the Property to the covenants, restrictions, conditions, easements, charges, and liens of a Declaration of Covenants, Conditions and Restrictions of Potomac Greens dated September 29, 2003 and recorded on September 30, 2003 as Instrument Number 030040394 among the Land Records of the City of Alexandria (the "Original Declaration"), said covenants, restrictions, easements, conditions, and charges running with said Property and binding all persons or entities having or acquiring any right, title, or interest in the Property or any part thereof, and inuring to the benefit of each owner thereof; and

WHEREAS, the Association was incorporated by the Declarant as a non-stock, non-profit corporation under the laws of the Commonwealth of Virginia, to provide a means for meeting the purposes and intents set forth in the Original Declaration; and

WHEREAS, pursuant to the Original Declaration, the Declarant granted, established, and conveyed to each Owner, and by this Amended and Restated Declaration, does hereby grant, establish and convey to each Owner, mutual non-exclusive rights, privileges and easements of enjoyment on equal terms in common with all other Owners in and to the use of the Common Areas (as hereinafter defined) and facilities; and declared the Property to be held, transferred, sold, conveyed, encumbered, leased, rented, used, occupied and improved subject to the

covenants, restrictions, easements, conditions, charges and liens (hereinafter referred to as "Covenants and Restrictions")set forth in the Original Declaration and this Amended and Restated Declaration, which are for the purpose of protecting the value and desirability of, and shall run with, the real property and be binding on all parties having any right, title or interest in the herein described real property or any portions thereof, and any other real property annexed within the jurisdiction of the Association in accordance with Article II hereof, their heirs, successors and assigns, and shall inure to the benefit of, and be enforceable by, the Declarant, its successors and assigns, any persons acquiring or owning an interest in said property and improvements including, without limitation, any person, group of persons, corporation, trust or other legal entity, or any combination thereof; and

WHEREAS, pursuant to the Original Declaration, the Declarant delegated and assigned to the Association the powers of owning, maintaining, and administering the Common Areas, administering and enforcing the Covenants and Restrictions, collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, health, safety and welfare of the residents; and.

WHEREAS, the Declarant and the Association wish to amend and restate the Original Declaration in its entirety upon those terms and conditions hereinafter set forth, pursuant to the authority set forth in Virginia Code Section 55-515.1 and pursuant to Article X, Section 3 of the Original Declaration.

NOW THEREFORE, the Declarant, with the joinder of the Participating Builders (as hereinafter defined), being all of the Class B Members, hereby amends and restates the Original Declaration in its entirety so that on and after the date hereof, the Declaration shall read as follows:

ARTICLE I DEFINITIONS

Unless the context clearly indicates to the contrary, the terms listed below shall be construed in accordance with the following definitions:

Section 1. "Annual Assessments" shall mean and refer to the assessments to be levied against Lots and collected and disbursed by the Association pursuant to Article V, Section 3 of this Declaration.

<u>Section 2.</u> "**Approval**" shall mean and refer to the issuance by any public agency of written approval, or any written waiver of approval rights, or a formal letter stating "No Objection."

<u>Section 3.</u> "Articles of Incorporation" shall mean and refer to the Articles of Incorporation for Potomac Greens Homeowners Association, Inc., filed with the Virginia State Corporation Commission, as amended from time to time.

<u>Section 4.</u> "Association" shall mean and refer to Potomac Greens Homeowners Association, Inc., its successors and assigns.

- Section 5. "Board of Directors" or "Directors" means the executive and administrative entity established by the Articles of Incorporation of the Association as the governing body of the Association.
- Section 6. "Bylaws" shall mean and refer to the Bylaws of the Association, as amended from time to time.
- Section 7. "Clubhouse" shall mean and refer to the clubhouse shown on the Development Plan which is on, or shall be located on, the Common Areas.
- Section 8. "Common Areas" shall mean and refer to all portions of the Property and all interests therein, including easements and improvements thereon, owned or leased by the Association or otherwise available to the Association for the common use and enjoyment of the Members. Notwithstanding that the Association Maintains all or any portion of any Lot(s) as provided in this Declaration, such property shall not be considered Common Area.
- Section 9. "Common Expenses" shall mean and refer to the actual and estimated expenses of operating the Association, including, without limitation, a reasonable reserve and expenses for the Maintenance of the Common Areas in accordance with Article IV hereof, all as may be found to be necessary or appropriate by the Board of Directors of the Association pursuant to this Declaration, the Bylaws and the Articles of Incorporation of the Association.
- Section 10. "Declarant" shall mean and refer to Potomac Greens Associates LLC, a Virginia limited liability company, its successors and assigns; provided, however, that no successor or assignee of the Declarant shall have any rights or obligations of the Declarant hereunder (i) unless such rights and obligations are specifically assigned by Potomac Greens Associates, LLC by assignment recorded among the Land Records of the City of Alexandria, Virginia, or (ii) unless said rights and obligations of the Declarant inure to the successor of Potomac Greens Associates, LLC by operation of law. The Participating Builders shall not be Declarant. Except as expressly provided herein, the rights and obligations of the Declarant set forth herein, as Declarant, shall cease ten (10) years after settlement on the sale of the first Lot to an Owner other than the Declarant or a Participating Builder, or in the event of the amnexation of additional properties pursuant to Article II hereof, ten (10) years after the date of recordation of the last Supplementary Declaration among the Land Records of the City of Alexandria, Virginia.
- Section 11. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions dated September 29, 2003 and recorded on September 30, 2003 as Instrument No. 030040394 among the Land Records of the City of Alexandria, Virginia as amended by this Amended and Restated Declaration, as the same may from time to time be amended by one or more Supplementary Declarations.
- Section 12. "Development Plan" shall mean and refer to the plan attached hereto as Exhibit C and made a part hereof.
- Section 13. "Eligible Mortgage Holder" shall mean and refer to a holder, insurer or guarantor of a First Mortgage on a Lot, which holder, insurer or guarantor has submitted a written request for notice from the Association of amendments to the Association documents or other significant matters which would affect the interests of the Mortgagee.

- Section 14. "Federal Mortgage Agencies" shall mean and refer to those Federally related agencies, if any, which may from time to time have an interest in the Property, or any portion thereof, including, but not limited to, the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the Government National Mortgage Association, and the Federal Home Loan Mortgage Association, and successors to their interests.
- Section 15. "Fire Sprinkler System" shall mean and refer to the fire sprinkler system which includes a pump station, water mains and fire laterals to each Living Unit within the Property, and which system or components thereof are located within the Common Areas and/or the public streets.
- <u>Section 16.</u> "**First Mortgage**" shall mean and refer to a Mortgage with priority over all other mortgages.
- Section 17. "First Mortgagee" shall mean and refer to a Mortgagee who is the holder of a First Mortgage.
- Section 18. "Governing Documents" shall mean and refer to the Articles of Incorporation of the Association, this Declaration, any Supplementary Declarations or amendments to this Declaration, and the Bylaws of the Association, all as initially drawn by the Declarant and filed or recorded as the case may be, and the Rules, all as may be duly amended from time to time.
- Section 19. "Governmental Authorities" shall mean and refer to the Commonwealth of Virginia, the City Council of the City of Alexandria, the Director of Planning and Zoning for the City of Alexandria, and any other governmental or quasi-governmental entity having jurisdiction over the Property.
- Section 20. "Historic District Lots" shall mean and refer to Lot 15, Lots 21 through 34, inclusive, Lots 69 through 80, inclusive, Lots 88 through 98, inclusive, Lots 127 through 133, inclusive, Lots 141 through 154, inclusive, and Lots 198 through 214, inclusive, which are located within the Old and Historic District of the City of Alexandria, Virginia.
- Section 21. "Institutional Mortgagee" or "Institutional Holder" shall mean and refer to one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, mortgage companies, pension funds, mortgage insurance companies, Federal Mortgage Agencies, 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 a lender, or any private or governmental institution which has insured a loan of such a lender, or any combination of any of the foregoing entities. In the event that any mortgage is insured by the FHA or guaranteed by the VA, then as to such mortgage, the expressions "Mortgagee" and "Institutional Mortgagee" shall include the FHA or the VA, as the circumstances may require, acting, respectively, through the Federal Housing Commission and the Secretary of Veterans Affairs, or through other duly authorized agents.
- <u>Section 22.</u> "Laws" shall mean and refer to all applicable laws, rules, regulations, codes or orders and ordinances applicable to the Property.

- <u>Section 23.</u> "Living Unit" shall mean and refer to any structure or portion of a structure situated upon the Property designed and intended for use and occupancy as a residence by a Single Family.
- Section 24. "Lot" shall mean and refer to a portion of the Property designated as a separate subdivided lot of record on a plat of subdivision, resubdivision, consolidation, or boundary-line adjustment of a portion of the Property, recorded among the Land Records of the City of Alexandria, Virginia or any other plot of land shown upon any recorded subdivision plat of the Property upon which the planned or actual improvements are Living Unit(s). The term "Lot" shall not include Common Areas, as heretofore defined, and areas dedicated as public streets or other public purposes.
- Section 25. "Maintenance" shall mean and refer to, and shall include, inspection, testing, care, cleaning, maintenance, operation, refurbishing, repair (whether ordinary or extraordinary), repainting, restripping, restoration, replacement, decoration, renovation, alteration, rebuilding or reconstruction, including without limitation, as a result of design defects, construction defects, wear and tear, or damage by fire, casualty or condemnation, as required to keep the item in question in good condition and substantially in accordance with all applicable Laws. To "Maintain" means to inspect, test, clean, maintain, operate, refurbish, repair, repaint, restripe, restore, replace, decorate, renovate, alter, reconstruct or rebuild, as the context may allow or require.

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- "Maintenance Standards" shall mean and refer to the following Section 26. standards to be utilized by the Association when performing its Maintenance obligations under this Agreement: (i) preserve and enhance the values of the Property, (ii) avoid activities deleterious to the aesthetic or property values of the Property, (iii) maintain a harmonious relationship among the structures and the natural vegetation and topography, (iv) promote the general welfare and safety of the Owners and the Occupants of the Living Units, and their respective guests, employees and invitees, (v) assure compliance of the improvements on the Property with the SUP, the SUP Conditions and the Site Plan, (vi) maintain all improvements on the Property in good condition and of at least the quality of improvements initially installed on the Property. All Maintenance work is to be performed and completed on regular basis, in a good and workmanlike manner, and in accordance with all applicable Laws. All repairs and replacements, and in particular, emergency repairs, will be made in the most expeditious manner possible, to prevent harm to the Property, or any portion thereof, and with the least adverse impact on the areas adjacent to the area in which the work is being performed and to the Owners and the Occupants of the Living Units.
- Section 27. "Management Agent" shall mean and refer to a management agent or manager employed by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize pursuant to Article IX of this Declaration.
- Section 28. "Members" shall mean and refer to members of the Association, each of whom shall be the Owner of a Lot.
- Section 29. "Mortgagee" shall mean and refer to the holder of any recorded mortgage, or the party secured by or the beneficiary under, any recorded deed of trust, encumbering one or more of the Lots. "Mortgage", as used herein, shall include deeds of trust. As used in this

Declaration, the term "Mortgagee" shall mean any mortgagee and shall not be limited to Institutional Mortgagees.

- Section 30. "Neighborhood Park" shall mean and refer to each area on the Development Plan designated as parkland or open space, including but not limited to the internal mews, some of which parkland and open space areas will be owned and Maintained by the Association (and all or some of which shall be subject to a public access easement), and some of which will be the Public Neighborhood Parks. The Neighborhood Parks shall not include the Clubhouse or the Swimming Pool Area.
- Section 31. "Notice" shall mean and refer to (i) written notice delivered personally or mailed, by first class mail, postage prepaid, to the last known address of the intended recipient; or (ii) notices published at least once a week for two consecutive weeks in a newspaper having general circulation in the City of Alexandria, Virginia; or (iii) notice published in two consecutive issues of the newsletter of the Association, if any, which is delivered personally or mailed to the address of each occupied Living Unit.
- Section 32. "Occupant" shall mean and refer to a resident of a Living Unit, who is the lessee or sublessee. There shall be only one Occupant per Living Unit for the purposes of this Declaration, although the Living Unit may house several individuals.
- Section 33. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is included within the jurisdiction of the Association. The term "Owner" shall not include those having an interest merely as security for the performance of an obligation or by virtue of a contract to purchase a Lot (but the term Owner shall include contract sellers of Lots). The term "Owner" shall include the holder of a security interest in all or any portion of a Lot to the extent that such holder acquires a fee simple interest in all or any portion of a Lot as a result of a foreclosure proceeding or by a deed in lieu of foreclosure if such interest is held for purposes other than security for performance of an obligation.
- Section 34. "Participating Builder" shall mean and refer to the members of the Declarant or a person or entity who acquires one or more Lots from the Declarant or from the members of the Declarant for the purpose of constructing Living Units on said Lots.
- Section 35. "Pedestrian Bridge" shall mean and refer to the pedestrian bridge proposed to be constructed across the rail corridor which rail corridor is located immediately west of the Property, as provided in the SUP Conditions.
- Section 36. "Pedestrian Bridge Dedication Area" shall mean and refer to the area of the Property shown on the Development Plan which has been or is intended to be dedicated to the City of Alexandria for purposes of locating a landing and ramps for the Pedestrian Bridge.
- Section 37. "Potomac Yard Property" shall mean and refer to that certain property located across the rail corridor immediately west of the Property that as of the effective date of this Declaration, is (a) owned by the Potomac Yard Property Owner and (b) subject to CDD Concept Plan No. 99-01 adopted by the City Council of Alexandria by Resolution No. 1931 on September 8, 1999.

- Section 38. "Potomac Yard Property Owner" shall mean and refer to Crescent Development LLC, a Delaware limited liability company ("Crescent"), or any assignee of Crescent which is either (a) the fee owner of all or substantially all of the Potomac Yard Property, (b) an entity that, directly or indirectly, controls, is controlled by, or is in common control with Crescent, or (c) a master property owners association established with respect to all or substantially all of the Potomac Yard Property.
- Section 39. "Property" shall mean and refer to all real property which is hereby subjected to the Declaration, together with such other real property as may from time to time be annexed thereto in accordance with Article II hereof, and all improvements now or hereafter existing thereon, and excluding any real property which is subjected to this Declaration and subsequently withdrawn in accordance with Article II of this Declaration. At this time, the Property consists of the real property described on Exhibit A attached hereto.
- Section 40. "Public Neighborhood Parks" shall mean and refer to those parkland areas and open spaces areas which have been or will be dedicated and/or conveyed to the City of Alexandria, Virginia in accordance with the SUP Conditions and the Site Plan.
- Section 41. "Public Tot Lots" shall mean and refer to those Tot Lots which have been or will be dedicated and/or conveyed to the City of Alexandria, Virginia in accordance with the SUP Conditions and the Site Plan.
- "Quorum of Members" shall mean and refer to the representation at a Section 42. duly called meeting of the Members by presence or proxy of Members who hold at least twentyfive percent (25%) of the outstanding Class A votes, and the representation by presence or proxy of the Class B Member, so long as the Class B membership continues to exist. In the event a "Quorum of Members" is not present at a duly called meeting of the Members, no action may be taken which requires the vote of a Quorum of Members. At the next duly called meeting of the Members after failure of the attending Members at the previous meeting to constitute a quorum, the quorum requirement may be reduced to a requirement of Members who hold at least fifteen percent (15%) of the outstanding Class A votes and the representation by presence or proxy of the Class B Members, so long as the Class B membership shall continue to exist, provided that in order for the reduced quorum requirement to apply, the purpose of the meeting shall remain the same as that recited in the original notice given to all Members. For purposes of increasing the Annual Assessments as specified in Article V, Section 3(d) or establishing a Special Assessment in accordance with Article V, Section 4, the Quorum of Members shall meet those requirements set forth in Article V, Section 3(f) of this Declaration.
- Section 43. "Recreational Amenities" shall mean and refer to those facilities which are identified on the Development Plan as the "Clubhouse," "Swimming Pool Area," "Tot Lot," and "Neighborhood Park."
- <u>Section 44.</u> "**Rules**" shall mean and refer to the rules and regulations adopted from time to time by the Board of Directors governing the use, occupancy, operation and physical appearance of the Property.
- <u>Section 45.</u> "Single Family" shall mean and refer to a single housekeeping unit which includes not more than three adults who are legally unrelated.

- Section 46. "Site Plan" shall mean and refer to the Final Site Plan for the development of the Property approved (or which will be approved) by the City of Alexandria Department of Planning and Zoning, as the same may be amended from time to time.
- Section 47. "Special Assessments" shall mean and refer to the assessments which may be levied against Lots and collected and disbursed by the Association pursuant to Article V, Section 4 of this Declaration.
- "Storm Water Facilities" shall mean and refer to the storm water management facilities serving the Property, whether for retention, detention, or other purposes, including, without limitation, the underground vaults, storm water filters, storm water lines and related facilities located either on or off of the Property. The Storm Water Facilities include a storm water management pond on the Common Areas, the use of which is shared by the Potomac Greens development and the community adjacent thereto known as "Old Town Greens" (the "Shared Pond") pursuant to the terms of that certain Deed of Easement and Vacation recorded as Instrument No. 000009776 among the Land Records of the City of Alexandria, Virginia (the "Shared Pond Easement"). The Storm Water Facilities also include an existing storm water line and related storm water management facilities, and any replacements thereof (the "Potomac Yard Storm Water Line"), which serve the Potomac Yard Property pursuant to a Deed of Easement granted by the Declarant to the Potomac Yards Property Owner on or about the date hereof (the "Potomac Yard Storm Water Line Easement"), which Potomac Yard Storm Water Line is contemplated to be relocated in accordance with the Site Plan and dedicated to the City of Alexandria which will maintain such relocated storm water line and related storm water management facilities. To the extent not maintained by the City of Alexandria, the Storm Water Facilities will be Maintained by the Association, subject to the provisions of the foregoing Shared Pond Easement recorded among the Land Records of the City of Alexandria with respect to the Shared Pond, and subject to the provisions of the Deed of Easement for the Potomac Yard Storm Water Line.
- Section 49. "SUP" shall mean and refer to Special Use Permit No. 2002-0026 approved by the City of Alexandria on May 17, 2003, as the same may be amended from time to time.
- Section 50. "SUP Conditions" shall mean and refer to conditions approved by the City of Alexandria, Virginia for the Property as part of the SUP, as said conditions may be amended from time to time. The SUP Conditions incorporate those provisions of CDD Concept Plan Conditions in CDD Concept Plan No. 99-01 adopted by the City Council of Alexandria by Resolution No. 1931 on September 8, 1999.
- Section 51. "Supplementary Declaration" shall mean and refer to any declaration of covenants, conditions and restrictions which may be recorded by the Declarant which amends, supplements or modifies the provisions of this Declaration.
- Section 52. "Swimming Pool Area" shall mean and refer to the swimming pool shown on the Development Plan and the surrounding area enclosed by a fence, which area is part of the Common Areas.
- <u>Section 53.</u> "TMP" shall mean and refer to the Transportation Management Plan to be established for the Potomac Yard Property and the Potomac Greens property in accordance

with Transportation Management Plan Special Use Permit No. 99-0020, as adopted by the City Council of Alexandria on September 8, 1999.

Section 54. "Tot Lots" shall mean and refer to the tot lots shown on the Development Plan, including, without limitation, the Public Tot Lots.

Section 55. "WMATA" shall mean and refer to the Washington Metropolitan Area Transit Authority.

Section 56. "WMATA Dedication Area" shall mean and refer to that portion of the Property, as identified on the Development Plan and which has been or will be dedicated to the City of Alexandria for the possible future construction of the WMATA Metrorail Station.

<u>Section 57.</u> "WMATA Metrorail Station" shall mean and refer to the proposed future WMATA Metrorail station to be constructed at Potomac Yard in accordance with the SUP Conditions.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO; NEIGHBORING PROPERTIES; HISTORY OF THE PROPERTY

Section 1. The Property. The Property is and shall be held, transferred, sold, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to this Declaration and all covenants, restrictions, conditions, easements, charges and liens set forth in this Declaration and in the SUP Conditions.

Additions to the Property. So long as the Class B Members are still Members of the Association, the Declarant shall have the unilateral right, without the consent of the Class A Members or the Participating Builders, to subject to this Declaration any additional property which the Declarant owns or acquires in the vicinity of the initial Property, for a period of ten (10) years following the date of recordation of this Declaration among the Land Records of the City of Alexandria, Virginia; provided, however, that if the Declarant is delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid ten (10) year period shall be extended by a period of time equal to the lesser of (i) the length of the delays or (ii) an additional five (5) years. The scheme of this Declaration shall not, however, be extended to include any such real property unless and until the same is annexed within the jurisdiction of the Association by the recordation of a Supplementary Declaration as provided in this Section. Except as otherwise provided above with respect to annexations of real property by the Declarant, annexations of real property within the jurisdiction of the Association shall require the consent of Members entitled to cast not less than sixty-seven percent (67%) of the votes of all Members present, in person or by proxy, and voting at any meeting of the Association.

The Supplementary Declaration which subjects additional property to this Declaration shall describe the real property to be annexed to the scheme of this Declaration and shall state that it is being made pursuant to the terms of this Declaration for the purpose of annexing the property described in the Supplementary Declaration to the scheme of this Declaration and extending the jurisdiction of the Association to cover the real estate so described in such Supplementary Declaration. The Supplementary Declaration may contain such complementary

additions and modifications to the covenants, conditions and restrictions set forth in this Declaration as may be considered necessary by the Declarant to reflect the different character, if any, of the real property being annexed or the various housing or community style characteristics and development approaches to which the annexed land or parts thereof may be subject, all of which may be significantly at variance with other portions of the Property, but all of which shall be consistent in quality with the improvements constructed on the Property. Every Owner of a Lot in property annexed as provided herein shall have an easement of enjoyment in and to the Common Areas, and such other rights of use as are provided in Article IV, Section 2 of this Declaration, but subject to the provisions of Article IV, Section 3 of this Declaration.

The additions authorized under this Section 2 shall be made by complying with the requirements of the applicable City of Alexandria, Virginia zoning ordinances, by securing the Approval of the Federal Mortgage Agencies, if required, by recording in the Land Records of the City of Alexandria, Virginia one or more Supplementary Declarations of covenants and restrictions with respect to the additional property, and by filing with the Association any applicable site plans and/or subdivision plats for such additions.

Withdrawable Real Estate. The Declarant shall have the unilateral right, without the consent of the Class A Members and the Class B Members (so long as the Class B membership shall continue to exist), to execute and record an amendment to this Declaration withdrawing any portion of the Property on which Living Units have not been constructed for a period of ten (10) years following the date of recordation of this Declaration among the Land Records of the City of Alexandria, Virginia; provided, however, that (i) such withdrawal of any portion of the Property shall not result in the Property failing to comply with applicable zoning ordinances, and (ii) the Declarant or a Participating Builder is the owner of such property at the time of withdrawal, or, if neither the Declarant nor a Participating Builder is the owner of such property, the property shall be withdrawn with the written consent of the owner thereof; provided, further, that if the Declarant or the Participating Builders are delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the control of the Declarant or the Participating Builders, then the aforesaid ten (10) year period shall be extended by a period of time equal to the lesser of (a) the length of the delays or (b) an additional five (5) years. Such withdrawn property shall no longer be subject to the covenants, conditions and restrictions of this Declaration except for (x) any easements, rights, reservations, exemptions, powers or privileges reserved to the Declarant or the Participating Builders pursuant to this Declaration which affect the withdrawn property, (y) any other easements, rights, reservations, exemptions, powers or privileges which are expressly reserved to the Declarant and the Participating Builders in the instrument effectuating such withdrawal, and (z) any requirements of the SUP, the SUP Conditions, the Site Plan or other requirements of the City of Alexandria. Such withdrawal shall be made by recording a Supplementary Declaration among the Land Records of the City of Alexandria, Virginia, withdrawing the effect of the covenants, conditions and restrictions of this Declaration from the withdrawn property. Such withdrawn property may be utilized by the Declarant or a Participating Builder, or any successor, assign or transferee thereof, for any lawful purpose or use.

<u>Section 4.</u> <u>Merger.</u> In accordance with its Articles of Incorporation, the real estate, personal property, rights and obligations of the Association may, by operation of law, be

transferred to another surviving or consolidated association similar in corporate nature and purposes. Similarly, the real estate, personal property, rights, and obligations of an association similar in corporate nature and purposes to the Association may, by operation of law, be added to the property, rights, and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration upon any other properties as one scheme. No such merger or consolidation shall, however, effect any revocation, change, or addition to the covenants established by this Declaration within the Property except as hereinafter provided. Such merger or consolidation shall require the affirmative vote of Class A Members holding at least sixty-seven (67%) percent of the votes in the Association and the approval of the Class B Member, so long as the Class B membership shall continue to exist.

Section 5. Neighboring Properties. Located in the immediate vicinity of the Property is the Mirant Power Plant, Washington Metropolitan Area Transit Authority Metrorail operations and other heavy railway operations, and Ronald Reagan Washington National Airport ("National Airport") and its associated flight paths. As of the date of this Declaration, National Airport's operations include a flight path directly over the Property. These uses are permitted to continue indefinitely. Additionally, other development plans for the immediate vicinity which have been approved by the City of Alexandria, permit the construction of 1,900,000 square feet of office space, a 625 room high-rise hotel, 1,700 additional residences, and 135,000 square feet of retail development, in addition to the existing 600,000 square foot Potomac Yard Shopping Center, on the west side of the CSX and WMATA Metrorail corridor, immediately adjacent to the Property. The development of buildings closest to the Property are permitted to rise to heights of 110 feet. The retail leases with the Potomac Yard Shopping Center expire around the year 2018. It is anticipated that at that time, the Potomac Yard Shopping Center will redevelop at a higher density, similar to that approved around the Potomac Yard town center and in the portion of the Potomac Yard property within Arlington County, immediately north of Four Mile Run. The SUP Conditions require the Potomac Yard Property Owner to construct the Pedestrian Bridge after approval of 1,000,000 square feet of development in the Potomac Yard Property. In addition, a rail park is planned to be located in the area between the CSX tracts and the WMATA right-of-way located within the rail corridor immediately west of the Property. Access to such rail park may be provided by the Pedestrian Bridge.

In addition to regular WMATA passenger rail service, the WMATA rail line is used by WMATA rail maintenance vehicles for access from WMATA maintenance yards to other WMATA rail lines. WMATA has also advised the Declarant that routine maintenance work may be performed by WMATA on the WMATA rail lines at any time, including during the hours when regular passenger service is not available, which may include late night and early morning hours. The Declarant has no control over the hours of operation of the WMATA facilities or rail lines, and changes in WMATA's manner or times of operations may occur at any time without notice.

Section 6. <u>History of the Property</u>. The Potomac Yard and Potomac Greens properties have a history of uses which have included environmental hazards and conditions, including the past use of the Property for the disposal of fly-ash and dredge spoiling. Environmental studies have been done which have resulted in remediation efforts being

undertaken at the Property. The City of Alexandria has been apprised of those remediation efforts.

ARTICLE III THE ASSOCIATION

Section 1. Organization. The Association is a non-profit, non-stock corporation organized and existing under the laws of the Commonwealth of Virginia and charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as the same may be amended from time to time; provided, however, that no other Governing Documents shall be amended for any reason, or otherwise changed or interpreted, so as to be inconsistent with the provisions of this Declaration.

Section 2. Membership.

- (a) <u>Basis</u>. Membership shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except as provided in the Governing Documents. Each person or entity which is a record Owner of a Lot shall be a Member of the Association.
- (b) Member's Rights and Duties. Each Member shall have the rights, duties and obligations set forth in the Governing Documents.
- (c) <u>Voting Rights</u> The Association shall have three (3) classes of voting membership as follows:
- (i) <u>Class A.</u> Class A Members shall be all Owners (as defined in Article I), except the Class B Members (until the expiration of the Class B membership as provided below) and the Class C Member (until the expiration of the Class C membership as provided below). Each Class A Member shall be entitled to one (1) vote for each Lot owned by such Owner.
- (ii) Class B. The Class B Members shall be the Participating Builders, or any successor, nominee or assignee (i) to whom a Participating Builder assigns any or all of its rights as a Participating Builder pursuant to this Declaration by assignment recorded in the Land Records of the City of Alexandria, Virginia, provided that such assignment is consented to by the Declarant, or (ii) who is a purchaser at foreclosure with respect to a Participating Builder's interest in the Property or a grantee in a deed in lieu of foreclosure from a Participating Builder, who acquires not less than five (5) undeveloped Lots from that Participating Builder for development of Living Units thereon. Such assignment shall only operate as to the land which is owned by such successor or assignee and which is referenced specifically in the instrument of assignment. The Class B Members shall have three (3) votes for each Lot in which it owns a fee or undivided fee interest.

The Class B membership and Class B voting rights shall cease and be converted to a Class A membership with Class A voting rights, as to each and every Lot in which a Participating Builder then holds the interest otherwise required for Class A membership, upon the earlier to occur of the following events: (i) one hundred twenty (120) days following the date on which at least seventy-five (75%) percent of all the Lots owned by each Participating Builder

have been conveyed by such Participating Builders to other Owners, provided that all the amenities and facilities within the Common Areas have been completed at such time, or (ii) ten (10) years after recordation of this Declaration by the Declarant; provided, however, that if the Participating Builders are delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Participating Builders' reasonable control, the aforesaid ten (10) year period shall be extended by a period of time equal to the lesser of (A) the period of the delays, or (B) five (5) years; and further provided, that in the event of the annexation of additional properties pursuant to Article II hereof, the Class B membership shall be revived with respect to all Lots owned by the Participating Builders, including those Lots contained in the annexed property, which Class B membership shall cease and be converted to Class A membership with Class A voting rights upon the earlier to occur of the following events: (i) when at least seventy-five percent (75%) of the Lots in such annexed property have been conveyed by the Participating Builders to individuals or entities other than the Participating Builders or an assignee or successor to the Participating Builders as described in the foregoing paragraph, or (ii) five (5) years after the date of recordation of the Supplementary Declaration subjecting such annexed property to the provisions of this Declaration.

- (iii) <u>Class C</u>. The Class C Member shall be the Declarant (as defined in Article I). The Class C Member shall have no votes in any matter before the Association. The Class C membership shall cease and terminate at such time as the Class B membership shall cease and terminate pursuant to Article III, Section 2(ii) hereof.
- (d) Exercise of Vote. The vote for any membership which is held by more than one person shall be exercised as they among themselves shall determine, but it may be exercised by any one of them, provided that no objection or protest by any other holder of such membership is made prior to the completion of a vote. If such protest is lodged prior to the completion of the vote, the vote for such membership shall not be counted, but the Member whose vote is in dispute shall be counted as present at the meeting for quorum purposes if the protest is lodged at such meeting. Except in the case of the Class B voting rights, in no event shall more than one vote be cast with respect to any Lot. Any Owner who leases his or her Lot may, in the lease or other written instrument, assign the voting right appurtenant to that Lot to the lessee, provided that a copy of such instrument is furnished to the Association.

Section 3. Board of Directors.

(a) <u>Composition</u>. The number of Directors and method of selection of Directors shall be as provided in the Bylaws; provided, however, that until their rights as Class B Members cease in accordance with the provisions of Article III, Section 2(c)(ii) hereof, each Participating Builder shall be entitled to appoint at least two (2) Directors, for a total of four (4) Directors.

(b) Extent of Power.

(i) The Board of Directors shall have all powers to conduct the affairs of the Association which are enabled by law or the Governing Documents and which are not specifically reserved to Members, the Participating Builders or the Declarant by said Documents.

- (ii) The Board of Directors shall exercise its powers in accordance with the Governing Documents.
- (c) <u>Powers and Duties</u>. By way of example and without limiting the generality thereof, the Board of Directors shall have the power and obligation to perform the following duties:
- (i) Real and Personal Property. To acquire (by gift, purchase or otherwise), own, hold, improve, Maintain, manage, lease, pledge, convey, transfer or dedicate real or personal property for the benefit of the Members in connection with the affairs of the Association, except the acquisition, mortgaging, or disposal of Common Areas which shall be subject to the provisions of Article II and Article IV of this Declaration.
- (ii) <u>Rule Making</u>. To establish and amend from time to time, and enforce compliance with, such reasonable rules and regulations as may be necessary to govern the use and Maintenance of the Property and facilities thereon, and the personal conduct of the Members of the Association and their guests thereon, and to establish penalties for the violation of same.
- (iii) <u>Assessments</u>. To fix, levy and collect assessments as provided in Article V, including, without limitation, the establishment of reserves as set forth in Article V, Section 3(e) of this Declaration.
- (iv) <u>Easements</u>. To enter into, make, grant, perform, enforce and vacate contracts, agreements, licenses, easements, dedications, leases and/or rights-of-way over and across the Common Areas (and to the extent provided in this Declaration, the Lots), including, without limitation, to public agencies to serve necessary public purposes, those that may otherwise be necessary, or those that are deemed reasonable by the Board of Directors, or those provided in Article VII or otherwise anticipated by this Declaration, including those required by the City of Alexandria with respect to the Pedestrian Bridge Dedication Area and the WMATA Dedication Area.
- (v) <u>Employment of Agents</u>. To employ, enter into contracts with, delegate authority to, and supervise such persons or entities as may be appropriate to manage, conduct and perform the business obligations and duties of the Association.
- (vi) <u>Mergers/Consolidations</u>. To participate in mergers and consolidations with other corporations as provided in Article II.
- (vii) <u>Enforcement of Governing Documents</u>. To perform acts, as may be reasonably necessary or appropriate, including bringing suit, causing a lien to be filed or foreclosed and suspending membership rights, for enforcing or effectuating any of the provisions of the Governing Documents.
- (viii) Performance and Enforcement of Third Party Agreements. To take all actions, as may be reasonably necessary or appropriate to perform the obligations of the Association, and to enforce or defend rights, obligations, easements, burdens and benefits under any and all agreements with third parties affecting the Property, including, without limitation, providing all consents, waivers, approvals, appointments, responses to requests for approval, performing all Maintenance obligations, preparing budgets as may be required, bringing or

defending a suit, causing a lien to be filed or foreclosed or removed, and exercising all remedies available for enforcing or effectuating any of the provisions of the third party agreements.

- (ix) Ownership of Common Areas. Upon tender of a deed from the Declarant with respect to the Common Areas, accept fee simple title to the Common Areas from the Declarant, which deed shall include, if requested by the Declarant, an acknowledgment by the Association of its obligations under this Declaration.
- (x) Architectural Design; Compliance with Approvals, Easements. To regulate the external design, appearance and location of the Association's property and the improvements thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among the structures and the natural vegetation and topography, and to establish architectural standards and to review, modify, and approve architectural standards recommended by the Architectural Review Board; and to monitor compliance with the requirements of any conservation easements and other restrictions imposed on Lots and/or the Common Areas by the City of Alexandria or any other Governmental Authority, and any and all project plans, preliminary and/or site plan approved by the City of Alexandria, and to periodically remind the Members of the Association of such restrictions.
- Notice to Declarant upon Turnover. Within sixty (60) days following the later to occur of (i) conversion of the Class B Membership to Class A Membership as provided in Article III, Section 2(c)(ii) of this Declaration and Section 3.2 of the Bylaws, or (ii) final paying of the public streets and/or private alleyways within the Property by the Declarant, designate and engage, together with the Declarant, an inspecting engineer mutually agreed upon by the Board of Directors (on behalf of the Association) and the Declarant (the "Inspecting Engineer") to conduct an assessment of the Common Areas of the Property in order to identify any and all portions of the Common Areas which may require repairs or corrective work based upon the specifications of the Site Plan, and to prepare a report (the "Inspection Report") of any such repairs or corrective work to be performed. Based upon the Inspection Report prepared by the Inspecting Engineer, a final list (the "Corrective Work List") of all such repairs and corrective work to be performed (the "Corrective Work") shall be agreed upon by the Declarant and the Board of Directors. The Declarant shall complete all Corrective Work on the Corrective Work List, at Declarant's sole cost and expense, and all Corrective Work shall be inspected by the Inspecting Engineer, as follows: within five (5) business days after the Declarant notifies the Inspecting Engineer that a component of the Corrective Work has been completed in accordance with the specifications of the Site Plan, the Inspecting Engineer shall issue to both the Declarant and the Board of Directors, a written certificate of completion as to such component of the Corrective Work; and within five (5) business days after Declarant notifies the Inspecting Engineer that all Corrective Work has been completed in accordance with the specifications of the Site Plan, the Inspecting Engineer shall issue to both the Declarant and the Board, a written final certificate of completion as to all Corrective Work. Upon issuance by the Inspecting Engineer of the final certificate of completion, the Declarant shall have no further obligation, liability or responsibility for the repair or correction of any of the Comment Areas of the Property. All costs of the Inspecting Engineer shall be shared equally by the Declarant and the Association. The failure of the Board to work jointly with the Declarant to engage such Inspecting Engineer as provided in this paragraph shall, to the extent permitted by law, be deemed as a waiver of the Association of any right to initiate an action, claim or litigation against

the Declarant based upon, or by reason of, any deficiencies or damage in any manner relating to the Common Areas, including, without limitation, the design, construction, installation or repair of the Common Areas, or any of same. The provisions of this Article III, Section 3(c)(xi) shall not be amended without the prior written consent of the Declarant..

Section 4. The Architectural Review Board.

- (a) <u>Composition</u>. Until the Class B membership rights cease in accordance with the provisions of Article III, Section 2(c)(ii) of this Declaration, the Architectural Review Board shall be composed of four (4) members appointed by the Participating Builders (with each Participating Builder appointing two (2) of the four (4) members of the Architectural Review Board). When the Class B membership rights cease in accordance with the provisions of Article III, Section 2(c)(ii) hereof, the Architectural Review Board shall consist of three (3) or more Owners who shall be appointed by the Board of Directors as provided in the Bylaws. The affirmative vote of a majority of the members of the Architectural Review Board shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization or approval pursuant to the authority set forth in this Article III, Section 4.
- (b) <u>Powers and Duties</u>. The Architectural Review Board shall recommend to the Board of Directors the adoption of Rules to regulate the external design, appearance and location of improvements located on the Property in such a manner so as to (i) preserve and enhance values of the Property, (ii) avoid activities deleterious to the aesthetic or property values of the Property, (iii) maintain a harmonious relationship among the structures and the natural vegetation and topography, (iv) promote the general welfare and safety of the Owners, the Occupants and their households, guests, employees, agents and invitees, and (v) comply with the Site Plan, the SUP and the SUP Conditions.

Except for construction or development by, for or under contract with the Declarant or a Participating Builder, and except for any improvements to any Lot or to the Common Areas accomplished by the Declarant or the Participating Builders concurrently with said construction and development, and except for purposes of proper Maintenance and repair, no building, fence, wall (other than the retaining walls shown on the Site Plan), deck (except for the decks shown on the Site Plan), windows, storm doors, window and door security bars or other improvements or structures shall be commenced, directed, placed, moved, altered or maintained upon the Property, nor shall any exterior addition to or change (including, without limitation, any exterior signs and any change of color on any exterior portion of a Living Unit) or other alteration thereupon be made, nor shall any alteration of any portion of a Living Unit, which alteration or portion of the Living Unit shall be visible from the exterior of the Living Unit, be made, nor shall any landscaping or hardscape, including, without limitation, hot tubs, fountains, statuary, planters, plantings or shrubbery be placed on any rooftop, rooftop deck, patio, deck or yard other than planters, plantings, and shrubbery on fenced-in patios which planters, plantings and shrubbery are not visible from the public streets or alleyways or from Common Areas adjacent to the Lot, or from outside of the fenced-in area), until the complete plans and specifications showing the location, nature, shape, height, material, color, type of construction, or the type and size of planters, plantings and shrubbery, and any other proposed form of change (including, without limitation, any other information specified by the Architectural Review Board) shall

have been submitted to and approved in writing as to safety, harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the community and with the Site Plan and SUP Conditions by the Architectural Review Board, and the appropriate Governmental Authorities, as determined by the Director of Planning and Zoning for the City of Alexandria, and with respect to the Historic District Lots, the Old and Historic Alexandria District Board of Architectural Review (the "Board of Architectural Review"). To the extent that any proposed improvements or alterations shall require the approval of any Governmental Authority, the Owner shall submit an application to the Governmental Authority for such approval. The Owner shall be solely responsible for processing such application with the Governmental Authority at the sole cost and expense of the Owner. The Owner shall provide the Architectural Review Board with copies of all correspondence with any Governmental Authority relating to the Owner's application, and shall provide the Architectural Review Board with a copy of any decision made by the Governmental Authority with respect to the Owner's application. Any approval by the Architectural Review Board of a preposed improvement or alteration which also requires approval by any Governmental Authority shall be automatically subject to the condition that such approval by the Governmental Authority be obtained, whether or not the approval by the Architectural Review Board so states.

In furtherance of its purposes, the Architectural Review Board shall:

- (i) Review and approve, modify or disapprove written applications of Owners and of the Association, for improvements or additions to Lots, Living Units and Common Areas. Notice of any disapprovals of applications shall be by written Notice. Approvals shall be sent by regular first-class mail. A copy of the plans and specifications, as approved by the Architectural Review Board, shall be deposited among the permanent records of such Architectural Review Board. The Architectural Review Board shall have the absolute right to disapprove any application for improvements or additions to Lots, Living Units or Common Areas, notwithstanding any approvals of any Owner's application by any Governmental Authority for such improvements, alterations or additions.
- (ii) Review a copy of the Owner's application submitted to any Governmental Authority for improvements or alterations, provide information as may be requested by any Governmental Authority in connection with the Owner's application submitted to the Governmental Authority, and review the decision of the Governmental Authority with respect to the Owner's application.
- (iii) Monitor Lots and Living Units for compliance with the architectural standards and plans for alterations approved in accordance with the Declaration.
- (iv) Recommend to the Board of Directors for adoption, architectural standards (subject to the confirmation, to the extent required, by applicable Governmental Authorities), which may include standards for interior and exterior window treatments for Living Units, to the extent that such window treatments will be visible from the exterior of the Living Unit, storm doors, window and door security bars, and other items which are visible from the exterior of the Living Unit.
 - (v) Adopt procedures for the exercise of its duties and enter them in the Rules.

- (c) Failure to Act. In the event that the Architectural Review Board fails to approve, modify or disapprove, in writing, a correctly filed application within sixty (60) days after the plans and specifications (and all other materials and information required by the Architectural Review Board) have been submitted to it in writing, and provided that the request set forth in such application does not violate any provision of this Declaration, the Site Plan, the SUP or the SUP Conditions, then approval by the Architectural Review Board will be deemed granted, subject, however, to approval of such proposed improvements or alterations by any Governmental Authority who must approve such proposed work. Notification of total or partial disapproval shall include the reasons for such disapproval. Failure of the Architectural Review Board or the Board of Directors to enforce the architectural standards or to notify an Owner of noncompliance with architectural standards or approved plans for any period of time shall not constitute a waiver by the Architectural Review Board or the Board of Directors of the enforcement of this Declaration or the architectural standards adopted by the Board of Directors at any later date.
- (d) Appeal. An applicant may appeal an adverse decision of the Architectural Review Board, within thirty (30) days after such adverse decision is rendered, to the Board of Directors, which may reverse or modify such decision, but in no event shall the Architectural Review Board or the Board of Directors be required to reconsider an adverse decision where the proposal violates the Site Plan, the SUP, the SUP Conditions, applicable zoning ordinances or approvals or architectural standards relating to the Property or where the proposal has been disapproved by any Governmental Authority. The Board of Directors is hereby authorized and empowered to promulgate reasonable rules of procedures for the conduct of such appeals.
- (e) Limitations. Construction or alterations in accordance with plans and specifications approved by the Architectural Review Board pursuant to the provisions of this Article III, Section 4 shall be commenced within ninety (90) days following the date upon which the same are approved by the Architectural Review Board (whether by affirmative action or by forbearance from action, as in paragraph (c) of this Section 4 provided), and shall be substantially completed within six (6) months following the date of commencement, or within such other reasonable period as the Architectural Review Board shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Architectural Review Board shall be conclusively deemed to have lapsed and compliance with the provisions of this Section 4 shall again be required. There shall be no deviation from the plans and specifications approved by the Architectural Review Board without the prior written consent of the Architectural Review Board. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural Review Board to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

- (f) Approvals. Design approval by the Architectural Review Board or by the Board of Directors shall in no way be construed as to pass judgment on the correctness of the location, structural design, suitability of water flow or drainage, location of utilities or other qualities of the item being reviewed. The Board of Directors or the Architectural Review Board shall have the right to charge a reasonable fee for reviewing an application. In addition, the Owner shall pay the cost of any architect or engineer engaged by the Architectural Review Board to review the proposed plans. The Owner shall be solely responsible for all costs relating to obtaining the necessary governmental approvals and all plans and permits required for the proposed improvements or alterations and in no event shall the approval of the Architectural Review Board or by the Board of Directors be substituted in lieu of applicable governmental approvals and permits or be deemed to constitute a determination as to compliance with local zoning ordinances, governmental guidelines or restrictions.
- Fidelity Bonds. The Association shall obtain and maintain fidelity coverage against dishonest acts on the part of Directors, officers, managers, trustees, employees, volunteers and agents, and all other persons handling or responsible for handling funds collected, held or administered by the Association, whether or not such person receives compensation for their services. Where the Board of Directors has delegated some or all of the responsibility for the handling of funds to a Management Agent, such Management Agent shall be covered by its own fidelity insurance policy which must provide the same coverage as fidelity insurance maintained by the Board of Directors. Except for fidelity insurance that a Management Agent obtains for its personnel, all other fidelity insurance policies should name the Association as the insured and should have their premiums paid as a Common Expense by the Association. Fidelity insurance obtained by a Management Agent shall name the Association as an additional insured. The total amount of fidelity coverage required should be sufficient to cover the maximum funds (including reserve funds) that will be in the custody of the Association or the Management Agent at any time while the fidelity insurance policy is in force, and should at least equal the sum of three (3) months aggregate assessments on all Lots within the Association, plus any reserves. To the extent available, fidelity insurance policies should contain waivers by the insurers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The fidelity insurance policies should provide that they cannot be canceled or materially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written Notice to the Association.

Section 6. Association Insurance.

(a) <u>Hazard Insurance</u>. The Board of Directors of the Association, or its duly authorized Management Agent, shall be required to obtain, maintain and pay the premiums, as a Common Expense, upon a policy of hazard insurance covering the Common Areas and any property required to be insured by the Association pursuant to any easement or lease agreement (except land, foundation, excavation and other items normally excluded from coverage) including fixtures and building service equipment, to the extent that they are a part of the Common Areas of the Association or such other property which the Association may insure, as well as common personal property and supplies.

The hazard insurance policy shall afford, as a minimum, protection against loss or damage by fire and all other perils normally covered by the standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available, and shall name the Association as a named insured. The insurance should cover one hundred percent (100%) of the current replacement cost (less a reasonable deductible) of the insured property. Coverage need not include land, foundations, excavations or other items that are usually excluded from insurance coverage. Unless a higher maximum amount is required pursuant to the law of the City of Alexandria or the Commonwealth of Virginia, the maximum deductible amount for coverage of the Common Area is the lesser of Ten Thousand Dollars (\$10,000.00) or one percent (1%) of the policy face amount. The funds to cover this deductible amount should be included in the Association's operating reserve account.

Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by the Best's Key Rating Guide of B/III or better (or its equivalent). Each insurer must be specifically licensed or authorized by law to transact business within the Commonwealth of Virginia. The policy contract shall provide that no assessment may be made against any Mortgagee, and that any assessment made against others may not become a lien on the mortgaged Lot superior to the First Mortgage.

The hazard insurance policy must provide that the insurance carrier shall notify the Association by written Notice at least thirty (30) days prior to any cancellation or substantial change in the Association's coverage (including, without limitation, any cancellation by reason of non-payment of premium) and that such Notice shall be sent simultaneously therewith to any Eligible Mortgage Holder who requests such Notice in writing. All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly acceded by private institutions as mortgage investors in the area in which the mortgaged premises are located. The following endorsements are also required: (i) an Inflation Guard Endorsement (if reasonably available); (ii) a Construction Code Endorsement if the Common Areas are subject to a construction code provision which would become operative and require changes to undamaged portions of any structures, even when only part of a structure is destroyed by an insured hazard or peril, and (iii) a Steam Boiler and Machinery Coverage Endorsement if any structure within the Common Areas has central heating or cooling, which should provide for the insurer's minimum liability per accident per location to be at least equal to the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the structure(s) housing the boiler or machinery.

(b) Flood Insurance. If the Common Areas are located in a Special Flood Hazard Area designated as A, AE, AH, AO, A1-30, A-99, V, VE, or V1-30 on a Flood Insurance Rate Map, the Association must maintain a "master" or "blanket" policy of flood insurance on the Common Areas. The amount of flood insurance shall be at least equal to the lesser of one hundred percent (100%) of the insurable value of all structures and improvements situated in such Special Flood Hazard Area or the maximum coverage available under the applicable National Flood Insurance Administration program. Unless a higher deductible amount is required under the laws of the Commonwealth of Virginia, the maximum deductible amount for flood insurance policies shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy's face amount. The funds to cover this deductible amount should be included in the Association's operating reserve account.

- (c) Liability Insurance. The Association shall obtain and maintain a comprehensive general liability policy of insurance covering all of the Common Areas, public ways and any other areas that are under the Association's supervision or Maintenance. The policy shall also cover any commercial space owned by the Association, even if such space is leased to others. The policy should provide coverage for bodily injury (including death) and property damage that results from the operation, Maintenance or use of the Common Areas and any legal liability that results from law suits related to employment contracts in which the Association is a party. Supplemental coverage to protect against additional risks should also be obtained, if required by a Mortgagee. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. Liability coverage shall be at least One Million Dollars (\$1,000,000.00) per occurrence, for bodily injury and property damage, unless higher amounts of coverage are required by a Mortgagee. In addition, to the extent required by the City of Alexandria, the Association shall obtain and maintain a policy of general liability insurance in the amount of One Million Dollars (\$1,000,000.00) which will name the City of Alexandria as an additional insured, against all claims, demands, suits and damage which may occur as a result of encroachment of improvements (including, stoops, railings and bays) into the adjacent public rights-of-ways. All liability policies must provide that the insurance carrier shall notify the Association in writing at least ten (10) days before it cancels or substantially modifies the Association's coverage.
- (d) <u>Errors and Omissions Insurance</u>. The Association shall purchase Officers and Directors Errors and Omissions Insurance or similar coverage which shall include coverage for liability due to the acts of its agents and servants.
- (e) Other Insurance; Premiums. The Association may purchase other insurance which the Board of Directors deems necessary or prudent. All insurance policies shall provide for at least ten (10) days written notice to the Association before material modification or cancellation of any policy. All premiums shall be paid as a Common Expense by the Association. In the event that the Association shall fail to maintain insurance for the Common Areas or allow insurance coverage to lapse, one or more of the First Mortgagees shall have the right, upon reasonable notice to the Association, to obtain such insurance and to advance premiums on behalf of the Association. The Association shall reimburse such First Mortgagees for premiums advanced.
- Section 7. Individual Insurance. By virtue of executing this Declaration or taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association that each individual Owner shall carry blanket all risk casualty insurance on the Living Unit and all structures located upon the Lot. At a minimum, such coverage shall provide coverage against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard. The Board of Directors of the Association, or its duly authorized agent, shall have the authority to obtain insurance for all or any of the Living Units located on the Property, unless the Owners thereof have supplied proof of adequate coverage to the satisfaction of the Board of Directors. The Board of Directors and the Association shall incur no liability to any Owner or Mortgagee in the event that the Board of Directors or the Association shall elect not to exercise

their authority to obtain such insurance for all or any of the Living Units located on the Property. In the event the Board of Directors obtains insurance for any Lot or Living Unit pursuant to this Section, the cost thereof shall be assessed against the Lot benefiting from such insurance and shall be collectible in the same manner as any other assessment under Article V of this Declaration. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction to the Living Unit and other structures constructed on the Lot, the Owner shall proceed promptly to repair or to reconstruct the Living Unit and other damaged structures in a manner consistent with the original construction. Each Owner of a Lot covenants and agrees that in the event that such Living Unit is totally destroyed, the Owner shall proceed promptly to repair or to reconstruct the Living Unit in a manner consistent with the original construction, unless approval to do otherwise is obtained from the Architectural Review Board or the Board of Directors.

- Section 8. Transportation Management Plan Coordinator. The TMP for the Property and the Potomac Yard Property requires the appointment of a Transportation Management Plan Coordinator for the entire site. Until such Transportation Management Plan Coordinator for the entire Potomac Yard Property and the Property is appointed, the following provisions shall apply with respect to the Property:
- (a) Appointment of TMPC. Until the Class B membership rights shall cease pursuant to Article III, Section 2(c)(ii) hereof and the Class C membership rights shall cease pursuant to Article III, Section 2(c)(iii) hereof, the Declarant shall appoint a Transportation Management Plan Coordinator (the "TMPC") for the Association. When the Class B and Class C membership rights cease, the Association shall continue to be responsible for administering the TMP as to the Property only, and the TMPC shall be appointed by the Board of Directors as provided in the Bylaws.
- (b) <u>Powers and Duties</u>. The TMPC shall be responsible for establishing and administering the TMP for the Property. In furtherance of its powers and duties, the TMPC shall:
- (i) Publicize and promote the use of transit, carpooling, vanpooling and other components of the TMP with Owners and Occupants and prospective owners during marketing activities.
- (ii) Display, at on-site locations, information about transit, carpooling, vanpooling and other TMP programs and services available to Owners and Occupants and distributing such information to Owners and Occupants at the Property, including providing a transit information packet to new Owners and Occupants at the Property about transit, vanpooling and carpooling, and information about the TMP programs available to Owners and Occupants at the Property.
- (iii) Administer and advertise the on-site sale of discounted bus and rail fare media, including fare media for Metrorail, Metrobus, DASH and other public transportation systems fare media requested by Owners, Occupants or the City of Alexandria Office of Transit Services and Programs. Upon approval by the Director of Transportation and Environmental Services of the City of Alexandria, another party may sell the transit fare media at a location convenient to the Property.

- (iv) Conduct periodic promotional activities, such as door flyers, newsletters, etc., to encourage the use of transit, carpooling, and vanpooling by Owners and Occupants at the Property.
- (v) Conduct annual surveys to determine the number of individuals living at the Property, their places of employment, modes of transportation, arrival and departure times, willingness and ability to use carpooling, vanpooling, public transit and such additional information as the City of Alexandria may require, with the initial survey being conducted one (1) year after the first certificate of occupancy has been issued for the Potomac Greens project.
- (vi) Commencing one (1) year after the first certificate of occupancy has been issued for the Potomac Greens project, provide annual reports to the City of Alexandria Office of Transit Services and Programs, including an assessment of the effects of the previous year's TMP activities on carpooling, vanpooling, and transit ridership and peak hour traffic, an accounting of receipts and disbursements for any TMP accounts, and a work program for the succeeding reporting year. Each annual report shall also identify, as of the end of the reporting period, the number of occupied Living Units and the number of individuals residing at the Property. In addition to the annual reports, commencing six (6) months after the first certificate of occupancy has been issued for the Potomac Greens project semi-annual reports on the receipts and disbursements of the TMP accounts shall be provided to the City of Alexandria Office of Transit Services and Programs.
 - (vii) Administer other TMP activities as approved by the City of Alexandria.
- (viii) Participate with other projects in the vicinity of the Property and the Office of Transit Services and Programs in the cooperative planning and implementation of mutually agreed upon programs and activities.

Work with the Office of Transit Services and Programs and with DASH and WMATA to improve bus service or shuttle service to and from the Property.

- (c) <u>Transportation Management Plan Costs and Fees</u>. The TMP requires the annual funding of fees into a transportation fund for purposes of funding the TMP activities approved by the City of Alexandria, Virginia as described in the TMP. Any funds which are not utilized for such TMP activities during any calendar year may be paid to the City for use in TMP support activities or used for TMP activities for the following reporting year; provided, however, if the City determines that reasonable efforts have not been made to use the funds for the approved TMP activities, the City may require that the funds be paid to the City. The fees to be paid to the transportation fund will be included in the Annual Assessments assessed against each Living Unit in accordance with the provisions of Article V, Section 3(a) of this Declaration.
- (d) <u>Potomac Yard Participation</u>. At such time as a Transportation Management Plan Coordinator is appointed for the Potomac Yard Property and the Property for the establishment and administration of the TMP for the entire site, then the obligations set forth in this Article III, Section 8, for the appointment of the TMPC solely for the Property shall terminate, but such termination shall not alter or modify the obligations for the payment of the annual transportation management plan fees as described in the foregoing paragraph (c). The Association will cooperate with the efforts of the Transportation Management Plan Coordinator for the entire site

in carrying out the transportation management programs and activities for the Potomac Yard Property and the Property.

ARTICLE IV ASSOCIATION MAINTENANCE OBLIGATIONS

- Section 1. Maintenance Obligations of the Association. Commencing upon the conveyance by a Participating Builder of the first Lot and Living Unit to an Owner, the Association shall be responsible for the management, Maintenance, repair, control and replacement, as necessary, of the Common Areas (and other elements of the Property, to the extent specifically provided for herein) for the benefit of all Members of the Association.
- (a) Common Areas. The Common Areas shall include the private streets, if any; alleyways; all street lights along the private streets and alleyways; stairways; walkways between Lots (but not those located on Lots); sidewalks (to the extent not publicly-maintained) along the public and private streets and walkways adjacent thereto (but not leadwalks, driveways or curbs adjacent to private driveways, or pathways within any Lot or which serve or benefit only a particular Lot); entry features for the community (if any); median strips; Neighborhood Parks (but not including the Public Neighborhood Parks); and other features and improvements (including any landscaping, flora and lighting which are included in such entry features and median strips) for the Property (if any); guard rails; private water and sanitary sewer systems, if any, including any water lines, watermains, underground vaults, and the Storm Water Facilities (including the storm water management pond, underground storm drainage facilities. underground vaults, storm sewers, storm filters, inlets and storm septors, if any, within the Common Areas, to the extent not maintained by the City of Alexandria); and all improvements on the Common Areas, including any retaining walls, bollards, electrical transformers and screening around the transformers, and all steps in the Common Areas (but not steps or stoops on Lots or within the Common Areas or within the public space adjacent to a Lot that provide access to the individual Living Units or the stoops or porches appurtenant to individual Living Units), all brick pavers, benches, furnishings, bicycle racks, trash receptacles, irrigation system and other equipment and facilities within the Common Areas, including without limitation, open space landscaping, trees and shrubbery and grass areas on the Property not within the Lots, and any irrigation system therefor, the Clubhouse and Swimming Pool Area, and all other furnishings, equipment and facilities in the Common Areas.
- (b) Maintenance of Common Areas; Limitations. The Association shall Maintain the Common Areas and all improvements and facilities located therein or thereon in accordance with the Maintenance Standards at all times (except to the extent that the Owners shall have responsibility for same, as set forth in Article VI, Section 3 hereof). The Association shall be obligated to Maintain the Storm Water Facilities in accordance with the requirements of the City of Alexandria, Virginia, and with respect to the Shared Pond, in accordance with the provisions of the Shared Pond Easement, and with respect to the Potomac Yard Storm Water Line, in accordance with the provisions of the Potomac Yard Storm Water Line Easement.

Section 2. Specific Maintenance Obligations.

The obligation of the Association set forth herein with respect to the Maintenance of the Common Areas, and all improvements and facilities located therein or thereon shall be perpetual and such obligations may not be amended without the prior written consent of the City of Alexandria, Virginia. Except as specifically provided in this Declaration, all costs incurred by the Association for the Maintenance of the Common Areas shall be Common Expenses. If damage to the Common Areas or any improvements or facilities located therein is caused, however, by the misuse or abuse of same by any Owner or the guests, tenants, Occupants or invitees of an Owner, then such Owner shall be responsible for the costs incurred to repair such damage and the Association shall charge the costs of repair to the Owner(s) of such Lots as a Special Assessment in the same manner as a Restoration Assessment pursuant to Article V, Section 4(b) hereof. No Owner shall cause or permit any furniture, furnishings, trash receptacles, objects, planters, planter boxes, potted plants, signs or other items to be placed on the Common Areas, it being understood that access to, through, over and across the Common Areas must remain unencumbered and unrestricted and unimpaired at all times.

- (a) <u>Maintenance of Surfaces</u>. The Association shall Maintain the alleys and private sidewalks in a clean manner and, to the extent possible, as a smooth surface. Maintenance of such alleys, private sidewalks and other surfaces, as well as the steps within the Common Areas, shall not include the removal of stains on such surfaces resulting from the use of such private sidewalks, steps, alleyways and other surfaces.
- (b) Entry Features, Retaining Walls. The Association will be responsible for the Maintenance of the entry features and signage for the Potomac Greens community and for all retaining walls installed during the initial construction of the Project, including all retaining walls (as well as the ornamental fencing on the retaining walls) located within the Common Areas and on Lots. Except for the retaining walls (and ornamental fencing on the retaining walls) located on Lots, the Association shall not be responsible for Maintaining any walls or fencing on the Lots.
- (c) Landscape Maintenance. The Association will be responsible for Maintaining all landscaping within the Common Areas. Such Maintenance shall include the regular mowing of grass areas in the Common Areas and the grass areas within the front, rear and side yards, as applicable, of all Lots. The Association shall also be responsible for (i) pruning (limbed to a minimum of six (6) feet), feeding, spraying, mulching and weeding the grass areas and landscape areas installed by the Declarant, a Participating Builder or the Association within the Common Areas and within the Lots, including those trees along the private and public streets (except to the extent that the City is responsible for maintenance of street trees along public streets following acceptance of such streets by the City for maintenance), (ii) pruning and trimming shrubbery (maintained at a maximum of 36 inches) installed by the Declarant, a Participating Builder or the Association within the Common Areas and within the front, rear and/or side yards of the Lots, and (iii) the mulching of flower beds installed by the Declarant, a Participating Builder or the Association in the Common Areas and in the front, rear and/or side yards of the Lots. An Owner may decline landscape Maintenance for his Lot by the Association, but there will be no reduction of such Owner's Assessments as a result of declining landscape Maintenance. To the extent that any such Owner declines landscape Maintenance for his Lot by

the Association, but the Owner fails to Maintain the landscaping on his Lot at a level equal to that of the Association's Maintenance for other Lots within the community, the Association shall resume the landscaping for the Lot in question. The Association shall be responsible for watering the grass, landscaping and shrubbery in the Common Areas, but each Owner shall be responsible for watering the grass, landscaping and shrubbery on such Owner's Lot. To the extent that (i) the Declarant or a Participating Builder has installed any landscaping, including, without limitation, trees, shrubbery and other plantings, pursuant to the requirements of approvals obtained by the Declarant for the development of the community, and (ii) the Declarant has provided an initial budget which anticipates Maintenance of all such landscaping by the Association, the Association shall not reallocate such funds designated in the budget for landscape Maintenance for any other purpose, but such funds shall be utilized by the Association solely for the Maintenance of such landscaping. It shall be the sole responsibility of the Association to Maintain all such landscaping installed by the Declarant and the Participating Builders in accordance with the requirements of the development approvals for the Property, including, without limitation, the pruning (limbed to a minimum of six (6) feet), feeding, spraying, mulching, weeding and watering of all landscape materials and the replacement of same with the same types of plantings and trees in the event any of the same shall die. Except to the extent that the Association is expressly charged with responsibility for such Maintenance herein, each Owner shall be solely responsible for watering and Maintaining all planter boxes, flower boxes and the plantings in or on such planter boxes and flower boxes located anywhere on such Owner's Lot, and all such items which may be located within the front, rear and/or side yard of such Lot included within the public space adjacent to such Lot. To the extent that any Owner fails to water all such areas for which the Owner is responsible on a regular basis, and the Association is obligated to replace such materials which die as a result of the Owner's failure to water them on a regular basis, the Association shall have the right to levy a Special Assessment against the defaulting Owner in the same manner as a Restoration Assessment pursuant to Article V, Section 4(b) hereof. No Owner shall lock the gate to any fence or otherwise restrict access to such Owner's Lot, or place any decoration in the front, rear or side yard of a Lot, which would interfere or impair the ability of the Association to perform its obligations under this Article IV, Section 1.

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- (d) Snow Removal; Steps, Stoops and Leadwalks. The Association will be responsible for the removal of accumulated snow and ice from the interior alleyways and driveways serving Lots, Common Areas, walkways and sidewalks (including public sidewalks) within the Property, but the Owners shall be solely responsible for the removal of snow and ice from the stoops, steps, decks, porches and leadwalks (including any portions of such improvements extending into the Common Areas or into public space)."
- (e) <u>Dedication Areas</u>; <u>Recreational Amenities</u>. The Association shall be responsible for Maintaining (i) the WMATA Dedication Area, until such time as the WMATA Dedication Area is dedicated to the City of Alexandria and accepted for maintenance by the City of Alexandria, and (ii) the Pedestrian Bridge Dedication Area, until such time as the Pedestrian Bridge Dedication Area is dedicated to the City of Alexandria and accepted for maintenance by the City of Alexandria. The Association will be responsible for Maintaining all Recreational Amenities (except for the Public Neighborhood Parks and the Public Tot Lots).

- (f) Shared Mailboxes. The Association will be responsible for Maintaining those mailboxes which are shared by Owners of more than one Lot, whether such mailboxes are located on the Common Areas or on any individual Lot, except to the extent that damage to any mailbox is caused by the misuse or abuse of same by any Owner, or the Occupants of a Living Unit, or the guests, tenants or invitees of an Owner or Occupant, then such Owner shall be responsible for the costs incurred to repair such damage and the Association shall charge the costs of repair to the Owner(s) of such Lots as a Special Assessment in the same manner as a Restoration Assessment pursuant to Article V, Section 4(b) hereof.
- (g) <u>Fire Sprinkler System.</u> The Association will be responsible for the Maintenance of the Fire Sprinkler System. The Declarant will provide the Association with information from the manufacturer or contractor who installs the Fire Sprinkler System for purposes of the Association's Maintenance of the Fire Sprinkler System.
- (h) <u>Lighting in Common Areas</u>. Photocell lights that are attached to the exterior of a Living Unit (whether attached to the wall of a Living Unit or on or under a deck or porch of a Living Unit) which have been installed by the Declarant or a Participating Builder and which are specifically designed to provide lighting for the Common Areas (including the public streets, and private walkways, alleyways and/or sidewalks) (the "Attached Common Area Lights"), shall be Maintained by the Association in operating order. The Attached Common Area Lights do not include other exterior light fixtures which may be attached to the exterior of Living Units and which serve those Living Units. Such Attached Common Area Lights shall be wired to electric service paid for by the Association.
- (i) <u>Maintenance Expenses</u>. All expenses incurred by the Association in Maintaining the Common Areas and the expenses of performing the obligations of the Association pursuant to this Article IV, Sections 1 and 2, including, but not limited to, reserves for the Maintenance of any such property or improvements, shall be Common Expenses of the Association.
- (j) <u>Easement for Maintenance</u>. The Association, its agents, employees and contractors are hereby granted an easement for ingress and egress to, over, across and through the Lots for the purposes of performing its obligations under this Article IV, Sections 1 and 2, and the Association, and its agents, employees, and contractors shall have the right to enter any Lot, without the consent of the Owner or Occupant, to perform such obligations.
- (k) <u>Personnel to Provide Maintenance Services</u>. The Association shall engage knowledgeable persons to perform the Maintenance required to be performed by the Association hereunder, including without limitation, the service required or recommended for the repair, Maintenance and or replacement of a Storm Water Facilities and any other systems to be maintained by the Association.
- Section 3. Easement of Enjoyment. Subject to the provisions in this Declaration, every Owner shall have a right and non-exclusive easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, and every Member shall have a right of enjoyment to the Common Areas and the facilities thereon.

<u>Section 4.</u> <u>Extent of Members' Easement.</u> The Members' easement of enjoyment created hereby shall be subject to the following:

- (a) The right of the Association to regulate the use of the Common Areas and any facilities located within the Common Areas for the benefit of the Members, to establish Rules for the use of the Common Areas, and to restrict or limit the number of guests of Members utilizing the Common Areas and any facilities thereon.
- (b) The right of the Association to suspend the voting rights of a Member and the right of a Member to use the Common Areas or any facilities situated thereon (i) for any period during which any assessment against his Lot or Living Unit remains unpaid, and (ii) after notice and an opportunity for a hearing, for a period not to exceed sixty (60) days for any infraction of its published Rules; provided, however, that the obligation of such Member to pay assessments shall continue unabated during such period of suspension of voting rights or right to utilize the Common Areas.
- (c) The right of the Association to dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication, sale or transfer shall be effective without the consent of Class A Members holding at least sixty-seven percent (67%) of the votes in the Association and the consent of the Class B Member, so long as the Class B Membership shall exist, and fifty-one percent (51%) of the Eligible Mortgage Holders. Notwithstanding the foregoing, the Declarant shall have the right, without the consent of any other Members of the Association, to dedicate and convey to the City, as required by the SUP and the SUP Conditions, (i) the WMATA Dedication Area, (ii) the Pedestrian Bridge Dedication Area, (iii) the Public Neighborhood Parks and Public Tot Lots, and (iv) the areas intended to be dedicated as public streets as shown on the Development Plan.
- (d) The right of the Association to establish uniform Rules pertaining to the use of the Common Areas and any facilities thereon.
- (e) The right of the Association, the Declarant, the Participating Builders, utility companies and other Owners with respect to the easements established by this Declaration.
- (f) The right of the Association, in accordance with its Articles of Incorporation and Bylaws, and with the consent of Class A Members holding sixty-seven percent (67%) of the votes in the Association and the consent of the Class B Members, so long as the Class B Membership shall exist, to borrow money for the purpose of improving the Common Areas and any facilities thereon in a manner designed to promote the enjoyment and welfare of the Members and in aid thereof to mortgage any of the Common Areas and any facilities thereon.
- (g) The right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosures; provided, however, that the same are in conformity with the other provisions of this Declaration.
- (h) The right of the Declarant and the Participating Builders, as more fully set forth in Article VII of this Declaration, to (A) grant licenses, rights of way and easements for access or construction, reconstruction, and Maintenance of the Property, including, without limitation of any utility lines or appurtenances, whether public or private, to any municipal agency, public utility, cable television franchise, the Declarant, a Participating Builder, to an owner of other

property within the immediate vicinity of the Property, or to any other person, (B) utilize reserved rights and easements, and (C) otherwise utilize the Common Areas as it deems appropriate in connection with the development of the Property.

- (i) The right of the Association, acting by and through its Board of Directors, to grant easements, licenses or other rights of use of the Common Areas and any facilities situated thereon to persons or entities that are not Members of the Association for such consideration and on such terms and conditions as the Board of Directors may from time to time consider appropriate or in the best interest of the Association or the Property.
- (j) The right of the Association, at any time or times, consistent with the then existing zoning ordinances of the City of Alexandria, Virginia, and pursuant to a recorded subdivision or resubdivision plat, to transfer or convey portions of the Common Areas to or at the direction of the Declarant and/or the Participating Builder(s) (as applicable) for the purpose of adjusting boundary lines or otherwise in connection with the orderly subdivision and development of the Property, provided that: (i) such transfer shall not reduce the portion of the Property, if any, required by the City of Alexandria, Virginia to be set aside for open space or other purposes at the time of the transfer, (ii) all Lots which were adjacent to Common Areas prior to such transfer remain adjacent to Common Areas after such transfer, and (iii) the adjustment shall not materially after the Common Areas.
- (k) The right of the Association to be the lessee of any portion or all of the Common Areas and the right of the Association to enforce the terms of the lease with respect to such Common Areas against such property and the Owners and their guests, lessees and invitees.
- (l) The right of the Association to enter onto a Lot or into a Living Unit, or other improvements on a Lot, to perform Maintenance and emergency repairs or to perform the obligations of the Association set forth herein.
- (m) The right of the Declarant and the Participating Builders (and the respective sales agents and representatives of each) to the non-exclusive use of the Common Areas for display and exhibit purposes, which right the Declarant hereby reserves, for itself and for the Participating Builders, provided, however, that such use shall not be for a period of more than ten (10) years after the later to occur of (1) the conveyance of the Common Areas to the Association, or (2) the sale of all residential Lots within the Property, and the Declarant and/or Participating Builders shall reasonably restore any damage to the Common Areas as a direct result of such use.
- <u>Section 5.</u> <u>Limitations.</u> Any other provision of this Declaration to the contrary notwithstanding, the rights of the Association shall be subject to the following limitations:
- (a) The Association shall have no right to suspend the right of any Owner to use any roadways located upon the Common Areas which provide vehicular and/or pedestrian ingress and egress to and from such Owner's Lot.
- (b) The Association shall have no right to suspend the right of any Owner to use any easement over the Common Areas for storm water drainage, electrical energy, water, sanitary sewer, natural gas, cable television or similar service, telephone service or similar utilities and services to the Lots.

- (c) The Association shall have no right to adopt Rules which are not uniformly applicable to or uniformly enforceable against all Lots.
- (d) Notwithstanding anything to the contrary set forth herein, the Association shall have no right to modify the major components of those services to be provided by the Association pursuant to Article IV, Section 1 of this Declaration, without the consent of Class A Members holding at least sixty-seven percent (67%) of the votes in the Association and the consent of the Class B Members, so long as the Class B Membership shall exist.
- Section 6. Delegation of Use. Any Member may delegate his right of enjoyment to the Common Areas and the facilities thereon to the members of such Member's family, such Member's Occupants, social invitees or contract purchasers who reside within the Property, subject to such Rules as may be established from time to time by the Board of Directors.
- Section 7. Title to Common Areas. The Declarant hereby covenants that areas designated as open space, which the Declarant conveys to the Association as Common Areas, shall be free and clear of financial liens and financial encumbrances at the time of conveyance, to the Association, except for those that may exist pursuant to this Declaration, the Site Plan, the SUP and the SUP Conditions, or those obligations imposed by other existing covenants affecting the Property. In the event that a lien or encumbrance shall attach to all or a portion of the Common Areas, one or more of the Eligible Mortgage Holders shall have the right to discharge said lien or encumbrance after reasonable notice to the Association and to seek reimbursement for amounts paid to discharge the lien or encumbrance. The Association shall accept title to any real estate or personal property offered to the Association by the Declarant or Participating Builders. The Association may acquire, lease, hold, and dispose of tangible and intangible personal property and real property, subject to the requirements of this Declaration. The Board of Directors, acting on behalf of the Association, will accept title to any real or personal property, leasehold, or other property interests within the Property conveyed to it by the Declarant or a Participating Builder.
- Section 8. Repair and Reconstruction of Common Areas After Fire or Other Casualty. In the event of damage to or destruction of any portion of the Common Areas covered by insurance payable to the Association as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration thereof, and shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, as appropriate. Promptly after a casualty causing damage or destruction of any portion of the Common Areas for which the Association has the responsibility of Maintenance, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged portions of the Common Areas in as good a condition as existed prior to the casualty. Such costs may include, without limitation, professional fees and premiums for such bonds as the Board of Directors may desire.
- Section 9. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for Maintenance of the Common Areas, or any portion thereof, or any community facilities by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the Maintenance or operation of any of the Common Areas or community facilities, except with respect to the WMATA Dedication Area, the Pedestrian Bridge Dedication Area,

and the Public Neighborhood Parks and Public Tot Lots, upon dedication of each of such areas to the City of Alexandria, and the streets which will be dedicated to public use by the Declarant pursuant to Article VII, Section 4 hereof.

Section 10. Covenant in Favor of the City of Alexandria. Notwithstanding anything contained herein to the contrary, in the event that the Association fails to Maintain the Common Areas (including, without limitation, the areas owned by the Association but over which public access easements have been granted to the City) in reasonable order and condition and in accordance with the Site Plan and SUP Conditions and any other plans for the Property approved by the City of Alexandria, Virginia, then the City of Alexandria may, at its option, serve notice in writing upon the Association, or upon the Owners, setting forth the manner in which the Association has failed to Maintain the Common Areas in reasonable condition, and said notice shall contain a demand that such deficiencies of Maintenance be cured within thirty (30) days thereof, and shall state the date and place of a public hearing thereon which shall be held within twenty (20) days of the notice. If the deficiencies are not cured within said thirty (30) days or any extension thereof, the City of Alexandria may enter upon the Common Areas for the purpose of Maintenance thereof for a period of one (1) year so as to prevent the Common Areas from being a public nuisance. The City of Alexandria may assess each Owner of a Lot a pro rata share of the costs incurred by the City of Alexandria, which costs, if and when so assessed, shall constitute a continuing lien on each Lot in the same manner as that described in Article V, Section 1 hereof; provided that in the event the City of Alexandria makes such assessment against each Lot, said lien shall nonetheless be subordinate to the lien of any first mortgage or first deed of trust on any Lot. The foregoing covenant in favor of the City of Alexandria shall run with and bind the property as set forth in Article X, Section 2 hereof.

ARTICLE V COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors, to be commenced at the time and in the manner set forth in this Article V. Each Owner of any Lot by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Association such Annual and Special Assessments, as are established herein and to pay same in the manner hereinafter provided. Where there is more than one Owner of a Lot, the Owners of a Lot shall be deemed to jointly and severally covenant and agree to pay to the Association such Annual and Special Assessments.

All such assessments, together with interest thereon and costs of collection thereof, late fees and reasonable attorneys fees, all as hereinafter provided, shall be a charge on the Lot (including all improvements thereon), and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, late fees and reasonable attorneys fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and shall not pass as a personal obligation to his successors in title to such Owner, unless expressly assumed by them. Prior to or at the time of any conveyance of a Lot, by an Owner, all liens, unpaid charges and assessments shall be paid in full and discharged. No Owner may waive

or otherwise escape liability for the assessments provided for herein by non-use or waiver of the use or enjoyment of the Common Areas or any facilities located thereon, or any portion thereof, or abandonment of his Living Unit or Lot or for the alleged failure of the Board of Directors or the Association to fulfill any of its obligations under this Declaration.

Section 2. Method of Assessment. All assessments shall be levied by the Association against Lots and collected and disbursed by the Association. The Board of Directors shall fix the amount of the assessments as provided hereinafter and set the dates on which such assessments shall become due.

Section 3. Annual Assessments.

- (a) <u>Purpose</u>. The Annual Assessments shall be used exclusively to promote the health, safety and welfare of the Members of the Association as a whole and in particular to improve, Maintain and operate the Common Areas and facilities thereon, and other portions of the Property for which the Association is responsible for Maintenance, and to enable the Association to meet its obligations under this Declaration, and shall include the following:
- (i) The cost of all Common Expenses and all operating expenses of the Common Areas and facilities thereon, including the services furnished to or in connection with the Common Areas and charges by the Association for any services furnished by it.
- (ii) The cost of necessary management and administration of the Common Areas, including fees paid to any management agent.
- (iii) The amount of all taxes and assessments levied against the Association or upon the Common Areas.
- (iv) The cost of fire, if any, and extended liability insurance on the Common Areas and facilities thereon, and the cost of such other insurance as the Association may effect with respect to the Common Areas.
- (v) The costs of utilities and other services which may be provided by the Association, including, without limitation, site security (if the Board of Directors elects to include such security), to the extent that such services may be provided by the Association.
- (vi) The cost of Maintaining all exterior areas which are expressly described in this Declaration as being the obligation of the Association, whether designated as Common Areas, Lots or public space, and the cost of Maintenance of all facilities on the Common Areas, and the cost of Maintenance of such items as the Association is expressly responsible for as described in this Declaration, whether located on the Common Areas or the Lots, in the manner that the Board of Directors shall determine to be necessary and proper in connection therewith.
- (vii) The cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for repair and replacements.
- (viii) The implementation, administration and enforcement of this Declaration, including, but not limited to, court costs and attorney's fees.
- (ix) The costs of performing the Association's obligations and complying with the obligations of the Association (including those obligations which are the Association's as the successor or assign of the Declarant) under any agreements with third parties, including, without

limitation, the obligations to pay the Association's fifty percent (50%) share of the costs of insuring and Maintaining the Pedestrian Bridge.

- (x) The annual transportation management plan fees to be paid in accordance with the TMP, which fees shall be assessed against each Living Unit and deposited into a TMP account to be used exclusively for approved TMP activities such as: (A) to provide transit subsidies for Owners and Occupants using transit for their commute to and from work, or subsidies to Owners and Occupants who carpool or vanpool; (B) to subsidize the costs of improving or operating bus service or shuttle service to the Property; (C) the installation of bike racks, lockers and transit displays; (D) to assist with the costs of marketing and promotional materials to promote the TMP; (E) to assist in financing the construction of the WMATA Metrorail Station; and (F) for other residential TMP activities as approved by the City of Alexandria. Any unencumbered funds remaining in the TMP account at the end of each reporting year may be reprogrammed for TMP activities during the next succeeding reporting year or may be paid to the City of Alexandria for use in transit or ridesharing programs and activities.
- (xi) One-half of the costs of insuring and Maintaining the Pedestrian Bridge, provided that the Potomac Yard Property Owner, and not the Association, shall be responsible for one hundred percent (100%) of the costs of the design and construction of the Pedestrian Bridge, if and when required by the City of Alexandria.

(b) Basis for Assessment.

(i) There shall be two (2) classes of assessable Lots, which shall be assessed as follows:

<u>Class I</u>: All Lots on which Living Units have been constructed and which are or have been occupied by a Single Family

<u>Class II</u>: All Lots owned by the Class B Members on which Living Units have been constructed but which have not been initially occupied by a Single Family, and all Lots owned by the Class B Members on which Living Units have not been constructed or construction has not been completed.

- (ii) Class I Lots shall be assessed at one hundred percent (100%) of the Annual Assessment rate.
- (iii) Class II Lots shall not at any time be subject to any Annual Assessments, Special Assessments, fees or other charges levied by the Association, and the Class B Members shall have no obligation whatsoever to pay any such Annual Assessments, Special Assessments, fees or other charges. In consideration for its exemption from all Annual Assessments, Special Assessments, fees and charges, the Class B Members hereby covenant and agree for the benefit of the Class A Members to provide funds to cover all "operating budget deficits" (as defined below) incurred by the Association during the "Deficit Period" (as defined below) in furtherance of the Association's purposes; provided, however, that at no time shall the obligation of the Class B Members during any fiscal year exceed one hundred percent (100%) of the Annual Assessments, Special Assessments, fees and other charges that would have been applicable to the Class II Lots owned by the Class B Member (and not any Class II Lots owned by another

Participating Builder) during such fiscal year had they been classified as Class I Lots not owned by a Class B Member. For purposes of this Section, an "operating budget deficit" shall be deemed to exist if, in any given fiscal year of the Association, the income received by the Association, plus all accumulated working capital, minus operating expenses and reserve transfers, does not provide sufficient funds to operate the Association; provided, however, that the Class B Members shall have no obligation to fund any operating budget deficit to the extent that such deficit is caused by or results from (i) the failure of the Members (other than the Class B Members) to make timely payment of any installment of the Annual Assessments, Special Assessments, fees and/or other charges levied by the Association in accordance with this Declaration; or (ii) any extraordinary cost or expense incurred by the Association, including, without limitation, any capital expense which is not included as part of the original annual budget for that fiscal year, and any cost or expense incurred by the Association that results from acts of God, fire, earthquake, flood, explosion or other natural catastrophes, or that results from hazardous environmental conditions or substances. As used herein, the term "Deficit Period" shall mean that period of time commencing on the date of recordation of this Declaration and ending on the earlier of (A) the date on which the Class B membership lapses and becomes a nullity in accordance with the provisions of this Declaration; or (B) the date upon which the Class B Members declare in writing that they waive their right to the exemption from payment of Annual Assessments, Special Assessments, fees and other charges. A Class B Member may make such declaration with respect to less than all of the Class II Lots owned or to be owned by such Class B Member, or to be brought within the jurisdiction of the Association, in which event the Deficit Period shall terminate only with respect to those Class II Lots specifically described. At the option of the Participating Builders, the Class B Members shall remain exempt from payment of Annual Assessments even after conversion to Class A membership, until the occupancy of the Living Unit located on each Lot, provided that the Class B Members fund any operating budget deficits as provided in this Section.

(c) Uniform Rate of Assessment; Initial Annual Assessments; Maximum.

- (i) Except as otherwise provided in this Declaration, both Annual Assessments and Special Assessments applicable to all Lots shall be fixed at a uniform rate for all Lots and other Special Assessments may be collected in the event that the actions or activities of any Owner causes or results in increased expenses for the Association. The Board of Directors may assess such increase in expenses against the Owner and such Owner's Lot, after notice to such Owner and an opportunity for a hearing. For example, and for purposes of illustration only, the Board of Directors may assess the amount of any insurance deductible paid by the Association against any Owner and such Owner's Lot if the Association is required to pay such deductible as a result of the misuse or neglect of the Owner. Such assessment shall be a lien against the Owner's Lot and shall be payable and collectible in the same manner as any other assessments required to be paid to the Association; provided, however, that neither the Declarant nor any Participating Builder shall be subject to any assessment based upon this provision.
- (ii) Until the first day of the fiscal year following commencement of Annual Assessments, the maximum Annual Assessments applicable to each of the Lots (except as otherwise provided in this Declaration with respect to Lots owned by the Participating Builders) shall be Three Thousand Dollars (\$3,000.00).

(d) Budget: Method of Assessment. The Board of Directors shall make a reasonable effort to prepare, or to cause to be prepared, at least thirty (30) days before the beginning of each fiscal year of the Association, an annual operating budget for the Association which shall provide, without limitation, for the management, operation and Maintenance of all Common Areas and other areas for which the Association is responsible and to meet the responsibilities of the Association. 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), the reserve fund(s) (in accordance with a reserve fund budget separately prepared by the Board of Directors pursuant to Article V, Section 3(e) hereof). The amount allocated by the Declarant in the initial operating budget for the Maintenance of street trees and other landscaping as contemplated by Site Plan and the SUP Conditions shall not be reallocated or used for any other purpose without the prior written consent of the Declarant until the later of (i) three (3) years following the date of recordation of this Declaration, or (ii) such time as all Maintenance obligations of the Declarant set forth in the SUP Conditions or in any agreement with the City of Alexandria or any other Governmental Authority have expired and the Common Areas have been conveyed to the Association.

By a vote of at least two-thirds of the Board of Directors, the Directors shall fix the Annual Assessments to be collected annually at an amount not more than ten percent (10%) in excess of the then current maximum for Annual Assessments set by the Board; provided, however, that the Annual Assessments shall be sufficient to meet the obligations imposed by the Declaration and any Supplementary Declarations. The Board of Directors shall make reasonable efforts to fix the amount of the Annual Assessments against each Lot for each assessment period at least thirty (30) days in advance of the commencement of such period. The Board of Directors shall prepare a roster of the Lots and the Annual Assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice to the Board of Directors. The Board of Directors shall cause a copy of the budget and written notice of the Annual Assessments levied against each Lot for the following year to be sent to all Members of the Association at least fourteen (14) days prior to the commencement of the new Annual Assessments.

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The budget and the new Annual Assessments shall become effective unless a special meeting of the Association is duly held and at such special meeting the budget and the new Annual Assessments are disapproved by a vote of Class A Members entitled to cast not less than sixty-seven percent (67%) of the votes in the Association present and the Class B Members, so long as the Class B Membership shall exist, in person or by proxy, and voting at such meeting. Notwithstanding the foregoing, however, in the event the membership disapproves the budget, or the Board of Directors fails for any reason, before the expiration of any assessment period, to determine the budget for any fiscal year of the Association and fix the amount of the Annual Assessments hereunder for that or the next period, such disapproval or failure to adopt the budget or determine the amount of the Annual Assessments shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any Member from the obligation to pay Annual Assessments, or any installment thereof, for that or any subsequent assessment period, but the budget then in effect and the Annual Assessments fixed for the preceding fiscal year shall continue until the new budget is determined and the new Annual Assessments are fixed.

- (e) Reserve Fund Budget and Contribution. The Board of Directors shall annually prepare a reserve fund budget which shall take into account the number and nature of the replaceable assets of the Association, the expected life of each asset, and the expected renovation, repair or replacement cost of each asset with a useful life of less than fifty (50) years, and contingencies (potential costs or liabilities which have not been incurred but which should be planned for) and insurance deductibles. The Board of Directors shall set the required reserve fund contribution, if any, in an amount sufficient to meet the projected reserve needs of the Association, as shown on the reserve fund budget, with respect both to amount and timing by the imposition of Annual Assessments over the period of the budget. The reserve fund contribution shall be fixed by the Board of Directors and included within the budget and Annual Assessments. Such reserve fund contribution shall be payable as part of the Annual Assessments, applicable to all Lots [except as otherwise provided with respect to Lots owned by the Class B Members in Article V, Section 3(b)(iii)], to the extent such reserve fund will be utilized to replace assets which are determined by the Board of Directors to benefit substantially all Owners. A copy of the reserve fund budget shall be distributed to each Owner in the same manner as the operating budget.
- (f) Notice of Meeting and Quorum. Written notice of any meeting of the Board of Directors called for the purpose of determining a new budget and the new Annual Assessments as provided in Article V, Section 3(d) hereof, or for the purpose of establishing a Special Assessment in accordance with Article V, Section 4 hereof, shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of such meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes in the Association (Class A and Class B Members) shall constitute a Quorum of Members. If the required Quorum of Members is not present, another meeting may be called subject to the same notice requirement and the required Quorum of Members at the subsequent meeting shall be forty-five percent (45%) of all votes in the Association (Class A and Class B Members) No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.
- (g) <u>Date of Commencement of Annual Assessments</u>. The first Annual Assessments provided for herein shall commence upon the date of the conveyance of the first Lot to an Owner other than the Declarant or a Participating Builder. The first installment of such Annual Assessment shall be made by each Class A Member for the balance of the quarter during which the deed of conveyance is delivered to such Class A Member and shall become due and payable and a lien on the Lot on the date a deed for the Lot is delivered to the Class A Member.
- (h) Special Tax District. In the event that the City of Alexandria establishes a special service tax district for an area which includes the Property in order to raise funds to finance transit capital projects or transit operating programs and services which would serve the area, and in part, the Property, all Owners of Lots in the Association will be required to participate in this special service tax district, and to the extent that any such taxes are levied against the Association, the annual budget to be prepared pursuant to this Article V, Section 3 hereof shall include such assessments.

- (i) <u>Payment of Annual Assessments</u>. The Annual Assessments, when assessed for each year, shall become a lien on the Lot for the entire Annual Assessment, but shall be payable in monthly installments equal to one-twelfth (1/12) of the Member's proportionate share of the Annual Assessment payable by such Member. Upon resolution of the Board of Directors, installments of Annual Assessments may be levied and collected on a quarterly, semi-annual or annual basis, rather than on a monthly basis.
- (j) <u>No Waiver</u>. No Member may escape or exempt himself from liability for Annual Assessments, Special Assessment or any other assessments by abandonment of any Living Unit or Lot belonging to him or by the non-use or waiver of use and enjoyment of the Common Areas or the facilities thereon, or for the alleged failure of the Board of Directors or the Association to fulfill any of its obligations under this Declaration.
- (k) <u>Surplus and Deficit</u>. If any amount accumulated in excess of the amount required for actual expenses as set forth in Section 3(a) above and reserves established by the Board of Directors for working capital, replacements and contingencies, shall exist at the end of any fiscal year of the Association, then at the next annual meeting of the Association, the Members shall determine, by an affirmative vote of Class A Members holding at least fifty-one (51%) of the votes in the Association, and the Class B Members, so long as the Class B Membership shall exist, who are present and voting in person or by proxy, on whether such surplus funds shall (i) be placed in reserve accounts, (ii) be placed in a special account to be expended solely for the general welfare of the Owners, (iii) be credited to the next periodic installment of Annual Assessments due from Owners under the current fiscal year's budget, until exhausted or (iv) be distributed to each Owner (including the Declarant) in proportion to the percentage (if any) of Annual Assessments paid by such Owner, or (v) be used to adjust the budget for the succeeding fiscal year to amortize the deficit from any preceding fiscal year. If there is a deficit in the budget on which the Annual Assessments are based in any fiscal year, the Board of Directors may levy a Special Assessment to cover such deficit.
- Section 4. Special Assessments. In addition to the Annual Assessments authorized in Article V, Section 3 above, the Association may levy a Special Assessment or Special Assessments applicable to that year for such purposes as the Board of Directors may deem appropriate, including, without limitation, one or more of the following Special Assessments:
- (a) <u>Capital Improvement Assessment</u>. The Association may levy in any assessment year a Special Assessment against all Lots, applicable to that year and payable over not more than the next three (3) succeeding years, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, or other specified purpose primarily for the Maintenance and upkeep of the Common Areas; provided, however, that any such Special Assessment for a capital improvement upon the Common Areas shall require the affirmative vote of (i) Class A Members entitled to cast not less than sixty-seven percent (67%) of the votes in the Association who are present and voting, in person or by proxy, at a meeting of the Association duly called for such purpose within sixty (60) days of promulgation of the notice of the Special Assessment at which a Quorum of Members (as determined pursuant to Article V, Section 3(f)) is present, and (ii) the Class B Members, if the

Class B membership has not ceased to exist. A vote of all Class A Members entitled to cast not less than sixty-seven percent (67%) of the votes in the Association who are present and voting, in person or by proxy, at a meeting of the Members duly called for such purpose in accordance with the provisions of the Bylaws within sixty (60) days of promulgation of the notice of the Special Assessment shall rescind or reduce the Special Assessment. No Director or officer of the Association shall be liable for failure to perform his fiduciary duty if a Special Assessment for the funds necessary for the Director or officer to perform his fiduciary duty is rescinded by the Members, and the Association shall indemnify such Director or officer against any charges resulting from any claimed breach of fiduciary duty arising therefrom.

- (b) <u>Restoration Assessment</u>. The Association may levy a Restoration Assessment upon any Lot whose Owner fails to Maintain such Lot, as provided in this Declaration, or who fails to provide such Maintenance funds as may be required by any Supplementary Declaration. Restoration Assessments shall be limited to the amount necessary to meet the cost of restoration or deficiency in required funds and all costs of collection, including the costs of administering such Restoration Assessment. Such a Special Assessment may be levied upon the vote of the Board of Directors after notice to the Owner and an opportunity for a hearing before the Board of Directors.
- (c) <u>Utility Assessments</u>. To the extent that there are any utilities which serve more than one Living Unit, but not all of the Living Units, and such utilities are billed to the Association, the Association will levy a Special Assessment against those Lots for which such utilities are provided for the purpose of paying the entire bill, with each Lot being assessed an equal share of such invoice. Each such assessment shall be due and payable upon receipt of the invoice from the Association.

Section 5. Effect of Nonpayment of Assessments; Remedies of the Association.

(a) Notice of Default; Interest; Late Charges; Remedies. Any installment of any Annual Assessment or Special Assessment not paid within fifteen (15) days after the due date shall be delinquent and shall bear interest from the due date until paid at a rate determined by the Board of Directors, up to the maximum rate of interest permitted under the laws of the Commonwealth of Virginia. The Association, or the Management Agent, at the request of the Board of Directors, shall provide Notice of such delinquency and may, at its option, (i) charge a reasonable late fee in an amount equal to ten percent (10%) of the delinquent installment or such other amount as may be set by Board of Directors against any Owner (and/or such Owner's Lot) who is more than fifteen (15) days delinquent in the payment of any installment of any Annual Assessment or Special Assessment; and (ii) upon written Notice to the Owner of the Lot, suspend the right of such Owner who is more than sixty (60) days delinquent in the payment of any installment of any Annual Assessment or Special Assessment to vote and such Owner's right (and the right of any Occupant of the Living Unit) to use the Common Areas until the assessment, accrued interest, penalties and costs of collection are paid in full. All such remedies shall be subject to the satisfaction of the requirements set forth in Section 55-513 of the Virginia Code.

- (b) <u>Acceleration of Installments</u>. Upon default in the payment of any one or more installments of any Annual Assessment or Special Assessment levied pursuant to this Declaration, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.
- (c) Actions Against Owners. The Association may also bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Lot (and all improvements thereon); provided that the provisions set forth in the Virginia Property Owners Association Act, if applicable, are substantially fulfilled. The Owner shall also be obligated to pay all attorneys' fees, court costs and administrative costs incurred in connection with the collection of assessments if not paid when due. The remedies under this Article V, Section 5 shall not be deemed to limit or waive, and shall be without prejudice to, any and all rights, remedies, or recourses as may be available to the Association for non-payment of assessments.
- (d) Priority of Lien; Subordination of the Lien to First Mortgages. Once perfected, the lien for assessments provided for herein shall be prior to all other subsequent liens and encumbrances except (i) real estate tax liens on the Lot, (ii) liens securing First Mortgagees, (iii) encumbrances recorded prior to the recordation of this Declaration, and (iv) sums unpaid on and owing under any First Mortgage recorded prior to the perfection of said lien. The lien evidenced hereby shall bind the Lot(s) and Living Unit(s) herein described in the hands of the then Owner or Occupant thereof, his heirs, devisees, personal representatives, and the personal obligation of the Member to pay such assessment shall, in addition, remain his personal obligation for the statutory period. In the event any proceeding to foreclose the lien for any assessment due the Association pursuant to this Article is commenced with respect to any Lot in the Property, then the Owner of such Lot, upon resolution of the Board of Directors, may be required to pay reasonable rental for the Living Unit on the Lot and the Association shall be entitled to the appointment of a receiver to collect the same.

Notwithstanding any other provision of this Declaration to the contrary, the lien of any Annual Assessment or Special Assessment levied pursuant to this Declaration upon any Lot, as in this Article provided, shall be subordinate to the lien of any First Mortgage and shall in no way affect the rights of any First Mortgagee; provided, however, that such subordination shall apply only to those assessments, or installments thereof, which have become due and payable prior to a sale or transfer of the Lot pursuant to a foreclosure of such First Mortgage, or any deed, assignment or in any other proceeding or arrangement in lieu of foreclosure. Such sale, foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not, however, relieve the mortgagee in possession or the purchaser at any foreclosure sale from liability for any assessments thereafter becoming due, or from the lien of any such subsequent assessments, which lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

No amendment to this Section shall affect the rights of any First Mortgagee on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or of the indebtedness secured thereby) shall join in the execution of such amendment.

The Board of Directors may, in its sole and absolute discretion, extend the provisions of this Section to the holders of Mortgages (or of the indebtedness secured thereby) not otherwise entitled thereto.

- (e) Additional Default. Any recorded First Mortgage secured on a Lot in the Property shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to this Declaration, or any installment thereof, shall likewise be a default in such First Mortgage (or the indebtedness secured thereby); but failure to include such a provision in any such First Mortgage shall not affect the validity or priority thereof and the protection extended to the holder of such First Mortgage (or the indebtedness secured thereby) by reason of Section 5(d) of this Article V shall not be altered, modified or diminished by reason of such failure.
- (f) <u>Remedies Cumulative</u>. No remedy reserved to the Association herein is intended to be exclusive of any other remedy or remedies, and each and every remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity or by statute.
- (g) <u>Collection Costs</u>. If default is made in the payment of any assessment payable hereunder, then the Owner who is so delinquent shall pay to the Association, upon demand, all costs of collection, including the Association's attorney's fees, whether suit is brought or not.
- (h) <u>Prepayment</u>. Any member may prepay one or more installments on any Annual Assessments levied by the Association, without penalty or interest, and without discount, but such prepayment shall not relieve any Class A Member for increases in the Annual Assessments which may become due and payable during the period for which the prepayment was made.
- (i) <u>Assessment Certificates</u>. The Association shall, upon request at any time, furnish to any Member liable for any assessment levied pursuant to this Declaration (or any other party legitimately interested in the same) a certificate, in writing, signed by an officer or agent of the Association, or designee thereof, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A reasonable charge may be levied in advance by the Association for each certificate so delivered.
- Section 6. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein: (a) all properties to the extent dedicated and accepted by a public authority and devoted to public use; (b) all Common Areas; and (c) all properties exempted from taxation by the Commonwealth of Virginia, the City of Alexandria, or any other political subdivision having jurisdiction over the Property upon the terms and to the extent of such legal exemption, provided that no property utilized for residential purposes shall be exempt.
- Section 7. Working Capital Fund. At the time of the conveyance of each Lot which is improved by a Living Unit to an Owner, each such Owner shall pay to the Association a non-refundable one-time contribution to the Association's working capital fund in an amount determined by the Declarant, which shall be no less than two times one-twelfth the Annual

Assessment applicable to such Lot. The Association's working capital fund shall be used for the initial and forthcoming expenses of the Association.

ARTICLE VI USE OF PROPERTY

Section 1. Permitted Uses.

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- (a) Living Units. All Living Units shall be used for private residential purposes exclusively, and may not be used for any commercial or business activities, and no Living Unit shall be used as a "child care home," a "congregant housing facility," a "day care center," an "elder care home," a "homeless shelter," a "nursery school," a "commercial private school" or "academic private school," a "rooming house" or a "tourist home" (as such terms are defined in the Zoning Ordinance of the City of Alexandria, Virginia). Notwithstanding the foregoing, to the extent permitted by the City of Alexandria, a professional office for a "home occupation" (as defined in the Zoning Ordinance of the City of Alexandria, Virginia) may be conducted in a Living Unit, provided that (i) such home occupation is limited to a person actually residing in the Living Unit and is incidental and secondary to the use of the Living Unit for dwelling purposes; (ii) such home occupation shall not change the essential residential character of the Living Unit and shall not be conducted on or adversely impact the Common Areas (including, without limitation, the private streets and alleyways, or access to the private driveways), nor adversely impact the use of, or access to, other Living Units nor adversely impact the access to any other Lots, and shall not create any material increase in demand for parking in the public streets within the Property and parking shall otherwise be in compliance with the provisions set forth in this Declaration, (iii) the hours of operation of such home occupation shall be limited to Monday through Friday, 8:30 a.m. to 6:00 p.m., and Saturday, 9:00 a.m. to 5:00 p.m., with ne hours of operation on Sunday, (iv) the Maintenance and use of such home occupation shall not disturb any other Owner's quiet enjoyment of his or her Living Unit, (v) such Maintenance, use and signage of a home occupation within a Living Unit shall be in strict conformity with the provisions of any applicable zoning laws, ordinances, or regulations, and shall be subject to approval by the Architectural Review Board and Governmental Authorities having jurisdiction over the Property, (vi) the Owner conducting such home occupation shall obtain and maintain at all times all permits and licenses necessary to conduct such office or business, and (vii) the Owner shall notify the Association of such use, in writing, at least thirty (30) days prior to the opening of the "home occupation" business, which notice shall include a detailed description of the proposed home occupation use and the hours of operation and a copy of the required business permit issued to the Owner. .
- (b) Garages. All garages shall be used solely for the purposes of parking and storing of vehicles, and no garage shall be used for residential or office purposes or for other storage purposes, except by the Declarant or a Participating Builder as provided in Article VI Section 1(c) hereof.

- (c) Exemption for Declarant and Participating Builders. Nothing contained in this Article, or elsewhere in this Declaration, shall be construed to prohibit the Declarant or a Participating Builder from the use of any Lots, Living Units or garages for promotional, marketing, display or customer service purposes, or as "model homes," a sales office, construction office, management office, or any other lawful purpose. The Declarant or Participating Builder may assign its rights under this section to, or share such rights with, one or more other parties, exclusively, simultaneously or consecutively with respect to Lots, Living Units or garages owned or leased by the Declarant or Participating Builder or such assignees of the Declarant or Participating Builder.
- Section 2. <u>Protective Covenants.</u> Except for the activities of the Declarant or Participating Builder during construction and development of the Property:
- (a) Nuisances: Noise. No nuisance shall be permitted to exist or operate upon the Property, or any portion thereof, so as to jeopardize property values or be detrimental to the well-being of the Members. There shall be no emissions of dust, sweepings, dirt, cinders, odors, gases or other substances into the atmosphere (other than 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 emissions, products, storage or discharge may adversely affect the use or intended use of any portion of the Property or may adversely affect the health, safety or comfort of any person. No waste nor any substance or materials of any kind shall be discharged into any public sewer serving the Property or any part thereof in violation of any regulation of any public body having jurisdiction over such public sewer. No Owner shall cause or permit any unreasonable loud noise (except for devices used solely for security purposes) anywhere on the Property, and in that regard, no speaker, horn, whistle, siren, bell or other sound device, except for such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any improvements. No portion of the Property shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth. No skateboarding shall be permitted on any portion of the Property.
- (b) <u>Restriction on Further Subdivision</u>. No Lot upon which a Living Unit has been constructed shall be further subdivided or separated into smaller Lots by any Owner, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by an Owner, provided that this shall not prohibit deeds of correction, deeds to resolve boundary line disputes and similar corrective instruments, and easements to public agencies or authorities or for utilities; and further provided that the Participating Builders shall have the unilateral right, without the consent of any other party, to resubdivide Lots owned by such Participating Builder.

- (c) Leasing. Any lease or rental agreement for the lease of a Lot and the improvements thereon shall be in writing and shall be subject to the conditions, restrictions and requirements of this Declaration. A Lot, together with the Living Unit thereon, may be leased in the its entirety, but no portion of a Lot or Living Unit may be leased or rented separately, and in that regard, roomers and boarders are expressly prohibited. Any permitted lease shall be for a period of not less than thirty (30) days and the initial term of such lease shall be for a minimum period of one (1) year. No subleasing will be permitted. All leases shall (i) contain provisions advising the tenant of his or her obligation to comply with all provisions of this Declaration, the Bylaws and the rules and regulations of the Association, and (ii) provide that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, the Bylaws or rules and regulations of the Association, or of any other document, agreement or instrument governing the Property. The Owner of a leased Lot shall notify the Association in writing of the Owner's current address and the name of each tenant and/or subtenant of the Living Unit(s) on such Lot. The Owner of a leased or rented dwelling unit shall be jointly and severally liable with his or her tenant(s) to the Association to pay any claim for injury or damage to persons or property caused by any action or omission, including, without limitation, the negligence of the tenant(s). Every lease shall be subordinate to any lien filed by the Association, whether before or after such lease was entered into. The Board of Directors may suggest or require a standard form of lease or certain standard form language to be incorporated into any lease agreement to be used by Owners for the leasing of Living Units in order to assure compliance with the terms, conditions, covenants, restrictions, rules and regulations under this Declaration. Each Owner shall, promptly after entering into any lease of a Living Unit, forward a duplicate copy of the lease to the Board of Directors.
- (d) Conditions for Architectural Control. No improvements, alterations, repairs, excavations, changes in grade or other work which in any way alters the exterior of any Lot or Common Areas or the improvements located thereon from its natural or improved state, existing on the date the Property was first subjected to this Declaration [for such improvements approved pursuant to the SUP Conditions or any other approvals or permits (including development plans and architectural drawings included therewith) issued by the City of Alexandria, Virginia, as amended from time to time, and the Site Plan for the development of the Property approved by the City of Alexandria, Virginia], shall be made or done without the prior approval of the Architectural Review Board, the City of Alexandria or the Director of Planning and Zoning for the City of Alexandria (as determined by the Director and Planning and Zoning), and any other Governmental Authority, including the Board of Architectural Review for those Historic District Lots, if required, as provided in Article III, Section 4 of this Declaration. In furtherance of the foregoing, no building, residence, or other structure, fence, wall, deck, patio, balcony, porch, windows, storm door, window and door security bars, landscaping, or other improvements or structures, shall be commenced, erected, maintained, improved, altered, made, or done on such property without the prior written approval of the Architectural Review Board and the Director of Planning and Zoning for the City of Alexandria, if required, and any other appropriate Governmental Authority, if required. No changes of paint colors on the exterior of any Living Unit, and no alteration of any portion of a Living Unit which alteration or portion of the Living Unit shall be visible from the exterior of the Living Unit shall be made, or on any other improvement on a Lot, or on improvements in the Common Areas, shall be made without the

prior written approval of the Architectural Review Board, and to the extent required by the SUP Conditions, the Director of Planning and Zoning for the City of Alexandria and any other appropriate Governmental Authority. It shall also be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, screens, awnings, flags (other than official flags of the United States of America which do not exceed twenty-four (24) square feet in size), flagpoles, banners, patio, deck, porch or balcony covers, fences, walls, slabs, sidewalks, curbs, gutters, driveways, or to combine or otherwise join two (2) or more Living Units, or to partition same after combination, or to remove or alter any windows and exterior doors of any Living Units, without the prior written consent of the Architectural Review Board and, to the extent required by the SUP Conditions, the appropriate Governmental Authority, in accordance with Article III, Section 4 of this Declaration. No balconies, bay windows, decks, overhangs, architectural projections, etc. shall encroach or protrude into the streets or alleyways below 14.5 feet above grade, except as shown on the Site Plan, and no vertical support posts or other impediments shall impede access to the driveways or garages. Furthermore, no improvements of any kind shall protrude or encroach beyond the boundary line of any Lot, except as shown on the Site Plan or as initially constructed by the Participating Builders, without the prior written consent of the Architectural Review Board and the City of Alexandria, if required. In the event that the Architectural Review Board determines that any interior window treatments adversely affect the general exterior appearance of the Living Units or are not otherwise in conformance with the architectural standards promulgated by the Architectural Review Board for window treatments, the Architectural Review Board shall have the authority to require the removal of such window treatments.

- (e) Fences; Walls. No fences or walls shall be constructed upon the Property other than those initially installed in the construction of the improvements as shown on the Site Plan, or replacements of such fences or walls in the same manner as initially constructed. All retaining walls which are initially installed on one or more Lots or on the Common Areas shall be perpetually Maintained, and any replacements of such retaining walls must be of similar material and style as initially installed. Without the prior written consent of the Architectural Review Board and the consent of the City of Alexandria, if required, no fences of any type shall be installed in the front yard of a Lot, except as shown on the Site Plan, and all fences in front yards shall be painted wrought iron. Fences which are installed on a Lot in conjunction with the initial construction of the improvements on the Lot shall not be removed unless such fence is immediately replaced with a fence of the same material, type, finish and color as originally installed on the Lot. No walls or fences shall be installed which would close or appear to close the courtyard areas adjacent to Lots 53 through 58, inclusive, and Lots 172 through 181, inclusive, from public access. No gate which provides access to the front, rear or the side yard of a Lot shall be locked or blocked in a manner which will prevent or interfere with readily available access to the front, rear or side yard of such Lot. No fences shall be constructed adjacent to the public or private sidewalks within the mews.
 - (f) Parking. Parking on the Property shall be subject to the following restrictions:
- (i) No parking shall be permitted upon the Common Areas or alleyways within the Property, except for in those spaces designated for parking, the use of which spaces shall be restricted as set forth below in this Article VI, Section 2(f). No vehicle belonging to any

Member, or to any guest or employee of any Member, shall be parked on a sidewalk or in a driveway or elsewhere on the Property in a manner which obstructs or unreasonably interferes with access to or along, or encroaches upon, the streets or alleyways, the sidewalks or the pedestrian walkways or emergency vehicle ingress/egress easements within the Property. All visitor parking is located on the public streets adjacent to the Property.

- (ii) The garages which are included in a Living Unit shall be used for passenger vehicle storage only, except as provided in Article VI, Section 2(h) below and any use of the garages for storage which interferes with the use of the garages for vehicle parking shall be prohibited. No vertical support posts or other impediments shall be permitted which impede access to the garages, or the driveways providing access thereto.
- (iii) Except in connection with the construction activities of the Declarant and the Participating Builders, no commercial vehicle (including vans used for commercial use and vehicles displaying commercial signage), truck, boat, recreational vehicle, motor home, camp truck or trailer, whether owned by an Owner or any other person, shall be permitted to remain on the Property, including, without limitation, the Common Areas or garages in Living Units, or to be parked in driveways. For the purposes of the foregoing sentence, a sports utility vehicle is not deemed to be a truck. No junk or derelict vehicle shall be kept on any portion of the Property. The repair (except for bona fide emergencies) or extraordinary maintenance of automobiles or other vehicles shall not be carried out at any place on the Property. Nothing shall be stored upon any of the streets, alleyways or walkways, nor shall the same be permitted to accumulate trash or debris.
- (iv) The Association shall have the right, in addition to all other rights and remedies provided herein, to have any and all vehicles which are parked on the Property in violation of the provisions set forth herein or any additional Rules promulgated by the Board of Directors towed away at the expense of the Owner of the Lot, whether such violation was committed by the Owner, Occupant or guest of the Owner or Occupant of such Lot. The Association will maintain a contract with a private towing company to immediately remove all vehicles which violate these restrictions.
- (g) Pets. Pets shall not be permitted upon the Common Areas unless accompanied by a responsible person and unless they are carried or leashed. The Board of Directors shall have the authority to determine whether a number of pets maintained in any Living Unit or on any Lot is reasonable and Owners may not maintain more than the number of pets determined by the Board of Directors to be reasonable. No pets may be kept, bred or maintained for commercial purposes. Any Owner or Occupant 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 of the other Owners, Occupants, the Declarant, Participating Builders and Management Agent free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet at the Property. All pets shall be registered, inoculated and tagged as required by law. The Board of Directors shall have the right to order any person whose pet is a nuisance to remove such pet from the Property and the Board of Directors, after affording the right to a hearing to the Owner or Occupant affected, shall have the exclusive authority to declare any pet a nuisance. Each Member who walks a pet on the Common Area is required to clean up any and all solid waste deposited by their pet in that area. The Board of

Directors shall have the right to adopt such additional Rules regarding pets as it may from time to time consider necessary or appropriate.

- (h) <u>Refuse</u>. Except in connection with the construction activities of the Declarant and the Participating Builders, no burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used materials, refuse, litter, lumber, scrap metals, bulk materials, building materials or trash of any other kind shall be permitted on any Lot or upon any of the Common Areas. All refuse shall be deposited with care in covered containers for such purpose. All trash containers, recycle containers and other refuse disposal systems must be maintained inside the garage of the Living Unit and shall not be permitted to remain in public view from another Lot except on days of trash collection. Each Owner shall be responsible for removing his or her trash, recycle and other refuse disposal containers from public view after refuse collection hours on the day of such collection. No incinerator shall be kept or maintained upon any Lot.
- (i) <u>Temporary Structure</u>. Except for temporary structures for the construction activities of the Declarant and the Participating Builders at the Property and the Participating Builders' sales activities (including sales/marketing signs), no structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel or stable shall be maintained upon any Lot or upon the Common Areas at any time.
- (j) <u>Clothes Lines</u>. Outdoor clothes dryers or clotheslines shall not be maintained upon any of the Lots or the Common Areas at any time. No clothing, laundry or the like shall be hung from any part of any Living Unit which may be visible from the exterior of the Living Unit or upon any of the Common Areas or from or upon any deck, balcony or patio. No tables, chairs, play equipment or other furniture, furnishings or equipment shall be placed or stored in the front yard of any Lot or on a rooftop deck, except for deck furnishings (but not play equipment) which do not exceed forty-two (42) inches in height.
- (k) Outdoor Antennas. Except as specifically permitted by applicable Federal regulations, no exterior antenna or satellite dish for the transmission of radio or television signals or for the reception of direct broadcast satellite service which exceed one meter in diameter and/or exterior antenna for receiving video programming services via MMDS (wireless cable) that exceed one meter in diameter may be maintained upon the exterior of any Living Unit or upon the Common Areas without the prior written consent of the Board of Directors. Any antennas, satellite dishes, microwave dishes and other similar devices (collectively, "Outdoor Antenna") must not unreasonably interfere with the ownership, use and occupancy of other Lots or the Common Areas and must be installed in the location designated in the initial construction of the Living Unit by a Participating Builder, or such other location approved by the Board of Directors, or the Architectural Review Board, with appropriate regard for the visual impact on the Property and the community. The location of the Outdoor Antenna must not violate any restrictions imposed by the Site Plan or the SUP Conditions. The Board of Directors, or the Architectural Review Board, may adopt additional reasonable regulations as to screening and location of any Outdoor Antenna. In the event that the Architectural Review Board determines that the placement of any Outdoor Antenna is not in the designated location, or interferes with the ownership, use and occupancy of other Lots or the Common Areas, or adversely affects the

general exterior appearance of the Living Unit, or is not otherwise in conformance with the architectural standards promulgated by the Architectural Review Board for Outdoor Antenna, then the Architectural Review Board shall have the authority to require the relocation of such Outdoor Antenna, by and at the cost of the Owner of the Living Unit for which the Outdoor Antenna is installed, to the original designated location of the Living Unit or such other location (but only if reception is not available in the placement of the Outdoor Antenna in the location designated in the initial construction of the Living Unit) reasonably determined by the Architectural Review Board. Aerials and antennas situated entirely within a Living Unit and not visible from the exterior shall be permitted.

(1) Landscaping; Utility Lines. No tree, hedge or other landscape feature shall be planted or maintained in a location which obstructs sight lines for vehicular traffic on public streets and public or private alleyways. All landscaping and screening shall be maintained in good condition and as required by the SUP Conditions, and no landscaping shown on the Site Plan or required by the SUP Conditions shall be removed, allowed to die without replacement of like landscaping materials or otherwise eliminated or reduced, without the prior written approval of the Alexandria City Council or the Director of Planning and Zoning, as determined by said Director. Payement, 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, or (iii) if such materials may unreasonably change, obstruct or retard direction or flow of any drainage channels. Except for hoses and the like which are reasonably necessary in connection with 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 Lct above the surface of the ground. No decorative lawn ornaments shall be erected, installed, used or maintained on or in the front or side yard of any Lot. The Architectural Review Board may from time to time adopt and promulgate such additional rules and regulations regarding the preservation of trees and other natural resources as it may consider appropriate.

(m)Signs. Except for sales/marketing signs posted at the Property in connection with the Participating Builder's sales activities, entrance signs, directional signs, signs for traffic control or safety, and except for "No Parking" signs and except as permitted under Article VI, Section 1(a) hereof, no signs of any character shall be erected, posted or displayed in a location that is visible from another Lot or Living Unit that does not comply with the SUP Conditions. All signs posted under Article VI, Section 1(a) of this Declaration shall be subject to approval by the Architectural Review Board. No sales/marketing signs for the resale of Living Units shall exceed two (2) feet in width or two (2) feet in height, and such signs shall be posted only on Saturdays and Sundays.

(n) <u>Compliance with Laws</u>. No unlawful, improper or offensive use shall be made of any Living Unit, any Lot, or any portion of the Common Areas and all laws, zoning and other ordinances, regulations of governmental and other municipal bodies and the like shall be observed at all times. All Laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction over the Property shall be complied with by, and at the sole expense of, the Owner, the Association, the Declarant or a Participating Builder, whichever party shall have the obligation for the upkeep of such portion of the Property, and if the Association is the

responsible party, then the cost of compliance shall be a Common Expense included in the Annual Assessments.

- (o) <u>Obstructions</u>. No Owner shall obstruct any portion of the Common Areas or otherwise impede the rightful access of any person on any portion of the Property upon which such person has a right to be. No Owner shall cause or permit to be placed or constructed anything on or in any of the Common Areas.
- (p) Rules. From time to time the Board of Directors shall adopt additional general Rules, including, but not limited to, Rules to regulate potential problems relating to the use of the Property and the well-being of the Members, such as signage, storage and use of machinery, Maintenance and removal of vegetation on the Property, and the type and manner of application of fertilizers or other chemical treatments to the Property in accord with non-point source pollution control standards. Ninety (90) days after conveyance of the first Lot to an Owner, such Rules may only be adopted or amended by a vote of at least two-thirds (2/3rds) of the Board of Directors, following a hearing for which due notice has been provided to all Members. A majority of votes cast, in person or by proxy, at a meeting of the Members convened in accordance with the Bylaws and called for that purpose, shall have the ability to repeal or amend any Rules adopted by the Board of Directors; provided, however, that no Rule may be repealed which would violate the SUP Conditions. No Rules shall be adopted which do not apply uniformly to all Lots or Living Units. All such Rules (including any subsequent amendments thereto) shall be placed in the Rules and shall be binding on all Members, except where expressly provided otherwise in such Rules.
- (q) <u>House Numbers</u>. House numbers shall be posted and maintained at all times on the front and rear of the Living Units such that they shall be visible at all times from the public streets and alleyways on which the Living Units are situated.
- (r) <u>Retaining and Screening Walls, Guard Rails, Fences</u>. No Owner shall cause or permit any objects of any kind to be attached to, affixed to or hung from any of the retaining walls, screening walls, fences or guard rails, if any, on the Property.
- (s) Exceptions. The Board of Directors may issue temporary permits with respect to any prohibitions expressed or implied by this section, provided the Board of Directors can show good cause and acts in accordance with adopted guidelines and procedures. So long as the Declarant or a Participating Builder is engaged in developing or improving any portion of the Property, the Declarant and/or Participating Builder(s) shall be exempted from Rules affecting movement, disposition, and storage of building materials and equipment, erection and maintenance of directional and promotional signs and conduct of sales activities, including maintenance of model Living Units, temporary structures, obstructions and parking. Such exemption shall be subject to such rules as may be established by the Declarant to maintain reasonable standards of safety, cleanliness and general appearance of the Property.

- (t) <u>Mailboxes</u>. Mailboxes serving more than one Living Unit (including without limitation, gang mailboxes) may be located on the Common Areas, or on any individual Lot. The Association shall be responsible for Maintenance of the mailboxes; provided, however, that an Owner shall be responsible for any damage to the mailboxes caused by such Owner, or any Occupant or guest, invitee, licensee or contractor of such Owner.
- (u) <u>Wells</u>. No domestic water supply wells, groundwater monitoring wells or groundwater observation wells shall be installed anywhere on the Property.
- (v) Notice of Sale, Conveyance or Transfer. Prior to the sale, conveyance or transfer of any Lot or Living Unit to any person, the Owner shall notify the Board of Directors in writing of the name and address of the person to whom the proposed sale, conveyance or transfer is to be made and provide to it such other information as the Board of Directors may reasonably require. Failure to comply with the provisions of this Article VI, Section 2(v) shall not void, prohibit or otherwise invalidate the sale, conveyance or transfer of any Lot or Living Unit, nor may it have any affect upon any mortgage or deed of trust thereon.
- (w) <u>Rooftop Decks</u>. The removal of any railings, walls or other perimeter barriers installed by the Participating Builder shall be strictly prohibited, except for repairs or replacements with the improvements of the same type and of the same functional and physical appearance. In addition, no umbrellas, furniture, landscaping, trees, sculpture, artwork, flags or banners exceeding forty-two (42) inches in height may be placed on the rooftop decks, and no such items shall be visible from the public streets or alleyways or from Common Areas adjacent to the Lot. All planters, trees and shrubbery to be placed upon any rooftop deck shall be subject to the approval of the Architectural Review Board. Furthermore, in no event shall any decorative lights be placed on rooftops or rooftop decks, or on the exterior of the Living Unit above the first floor level, which can be viewed from the roadway or any property adjacent to the Property.

Section 3. Maintenance of Property.

(a) Owner Obligation.

(i) Each Owner shall keep all Lots owned by him, and all improvements therein or thereon, and all improvements and equipment located within the Common Areas but which are appurtenant to and for the benefit of such Lot, including, without limitation, the Living Unit, steps, stoops, fences, walls, patios, porches, air-conditioning equipment, decks, individual driveways and curbs adjacent to the driveways, columns and piers, if any (whether in the front or rear of the Lot and whether such improvements or equipment are located on the Lot or within the Common Areas adjacent to the Lot or within the public space adjacent to the Lot or on or over the property line dividing the Lot from the adjacent Lot), in good order and repair, in a clean and sanitary condition, free of debris, all in a manner and with such frequency as is consistent with good property management. Except as specifically provided in Article IV, Section 1 of this Declaration, the Association shall have no responsibility for the Maintenance of any Living Unit or Lot, and each Owner shall be responsible for the Maintenance of his or her Living Unit and Lot and the improvements appurtenant to the Living Unit, including, without limitation, those

located within the Common Areas adjacent to the Lot. In particular, there may be stoops, steps, decks and porches which are appurtenant to one or more Living Units but are located within the Common Areas or public space adjacent to the Lot. The Owner of the Lot shall be responsible for the Maintenance, repair, cleaning, refurbishing, replacement and rebuilding of such stoops, steps, decks and porches (including beams, columns and piers), notwithstanding that they may be located within the Common Areas or the public space adjacent to the Lot.

- (ii) In addition, each Owner shall be responsible for the removal of snow and ice from such Owner's Lot, including, without limitation, the steps, stoop, porch (if any) and deck (if any). Each Owner shall also be responsible for keeping the front, side and rear yards of his or her Lot in a clean and sanitary condition, free of debris.
- (iii) Each Owner shall be solely responsible for the Maintenance, painting, replacement and repair of the rooftops, rooftop decks, stair well enclosures, if any, on the rooftops and privacy fences or other dividers between adjacent rooftops.
- (iv) The Association's responsibility with respect to the mowing of grass, pruning and trimming of shrubbery, mulching, and the replacement of shrubbery is set forth in Article IV, Section 1. If the Owner elects, he may be responsible for the mowing of grass, pruning and trimming of shrubbery, mulching, and the replacement of shrubbery within his Lot and within any enclosed front and side yards (or enclosed portions thereof) as set forth in Article IV, Section 2. The Owner shall also be responsible for watering the landscaping located within the front, side and rear yards of his or her Lot. Any obligations not specifically stated to be the Association's as described in said Article IV, Section 1, shall be the obligation of the Owners. After one year following conveyance of a Lot by the Declarant or Participating Builder to an Owner, the Association shall continue to be responsible for the replacement of dead shrubbery in the front yard of a Lot, but the cost of such replacement (materials and labor) shall be charged by the Association to the Owner of such Lot as a Special Assessment in the same manner as a Restoration Assessment.
- (v) If any Attached Common Area Light is attached to the exterior of a Living Unit (whether attached to the wall of a Living Unit or on or under a deck or porch of a Living Unit), then no Owner shall disconnect or otherwise impair the use of any such Attached Common Area Light. If any Owner determines that any such Attached Common Area Light is not working, then the Owner shall promptly notify the Association of same. The Association shall be responsible for Maintaining said Attached Common Area Lights in operating order with photoceli lights.
- (vi) Each Owner shall also be responsible for the repair and/or replacement of any fences on the Owner's Lot, whether such fence is located on the Lot, within the Common Areas adjacent to the Lot, or within public space adjacent to the Lot or on or over the Property line dividing the Lot from the adjacent Lot. No Owner shall lock a gate or otherwise block access to such Owner's Lot(s) which will prevent access to such Owner's Lot.
- (vii) Each Owner shall perform his or her responsibilities under this Declaration in such a manner as shall not unreasonably interfere with the other Owners or Lots.
- (b) Failure to Maintain Right to Remove or Correct Violations. If any Owner shall fail to Maintain such Owner's Lot or Living Unit in good repair and condition and in a neat and

orderly condition consistent with the covenants set forth in this Declaration (including all sections of this Article) and such Rules as may be promulgated by the Board of Directors, or in the event of any violation or attempted violation of any of the covenants or restrictions contained in this Article or the Rules, or in the event of any other conduct in violation of any of the provisions or requirements of this Declaration or the Rules, then the same shall be considered to have been undertaken in violation of this Declaration and without the approval of the Architectural Review Board or the Board of Directors required herein, and, upon written Notice from the Architectural Review Board or the Board of Directors, such violation shall be promptly removed or abated. In the event the same is not removed, or the violation is not otherwise terminated or abated, within fifteen (15) days (or such shorter period as may be required in any such Notice) after Notice of such violation is delivered to the Owner of the Lot upon which such violation exists, or to the Member responsible for such violation if the same shall be committed or attempted on premises other than the Lot owned by such Member, then the Association shall have the right, through its agents and employees, to enter upon such Lot and Living Unit and take such steps as may be necessary to remove or otherwise terminate or abate such violation and the cost thereof may be assessed and collected as a Restoration Assessment against the Lot upon or in which such violation occurred. When so assessed, a statement for the amount thereof shall be rendered to the Owner of said Lot, at which time the assessment shall become due and payable and a continuing lien upon such Lot, and a binding personal obligation of the Owner of such Lot, in all respects as provided in Article V of this Declaration. The Association shall have the further right, through its agents, employees or committees, to enter upon and inspect any Lot at any reasonable time for the purpose of ascertaining whether any violation of the provisions or requirements of this Declaration exists on such Lot or in such Living Unit, and neither the Association nor any such agent, employee or committee member shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection. Notwithstanding anything else contained in this paragraph to the contrary, the Association shall initiate judicial proceedings before any item of construction can be altered or demolished.

- (c) <u>Enforcement Fines</u>. In addition to the means for enforcement provided elsewhere herein, the Association shall have the right to levy fines against an Owner or such Owner's other guests, relatives, lessees or invitees, in the manner set forth herein, and such fines shall be collectible as any other assessment such that the Association shall have a lien against the Lot of such Owner as provided in this Declaration, the Articles of Incorporation and other Governing Documents, and such fines shall also become the binding personal obligation of such Owner.
- (i) The Board of Directors shall be charged with determining where there is probable cause that any of the provisions of this Declaration or the Governing Documents of the Association, regarding the use of the Living Units, Lots, Common Areas or other Association property, are being or have been violated. In the event that the Board of Directors determines an instance of such probable cause, it shall provide written Notice to the person alleged to be in violation, and the Owner of the Lot which that person occupies or is visiting if such person is not the Owner, of the specific nature of the alleged violation and of the opportunity for a hearing before the Board of Directors upon a request made within five (5) days of the sending of the written Notice. The Notice shall also specify, and it is hereby provided, that each recurrence of

the alleged violation or each day during which it continues shall be assessed pursuant to Section 55-513B of the Virginia Property Owners' Association Act. The Notice shall also specify, and it is hereby provided, that in lieu of requesting a hearing, the alleged violator or Owner may respond to the Notice within five (5) days of its sending, acknowledging in writing that the violation occurred as alleged and promising that it will henceforth cease and will not recur, and that such acknowledgment and promise, and performance in accordance therewith, shall terminate the enforcement activity of the Association with regard to such violation.

- (ii) If a hearing is timely requested, the Board of Directors shall hold the same, and shall hear any and all defenses to the charges, including any witnesses that the alleged violator, Owner or the Board of Directors may produce. Any party at the hearing may be represented by counsel.
- (iii) Subsequent to any hearing, or if no hearing is timely requested and if no acknowledgment and promise is timely made, the Board of Directors shall determine whether there is sufficient evidence of a violation or violations as provided herein. If the Board of Directors determines that there is sufficient evidence, it may levy a fine for each violation in the amount provided in Section 55-513B of the Virginia Property Owners' Association Act.
- (iv) A fine pursuant to this Article VI, Section 3, shall be assessed against the Lot which the violator occupied or was visiting or using at the time of the violation, whether or not the violator is the Owner of that Lot, and shall be collectible in the same manner as any other assessment, including by the Association's lien rights as provided in this Declaration. Nothing herein shall be construed to interfere with any right that an Owner may have to obtain payment of the amount of any fines assessed against such Owner's Lot from a violator occupying or visiting such Owner's.
- (v) Nothing herein shall be construed as a prohibition of, or limitation on, the right of the Association to pursue any other means of enforcement of the provisions of this Declaration or the other Governing Documents, including, but not limited to, legal action for damages or injunctive relief.
- (d) Assignment of Insurance Proceeds. Each Owner covenants and agrees, by ownership of one or more Lot(s) within the Property, that if any insurance proceeds are payable by reason of any event or circumstances causing a condition rectified by the Association pursuant to this Article, those proceeds are hereby assigned to the Association to the extent not assigned to the First Mortgagee for such Lot. Each Owner shall, promptly upon request of any Director or Officer of the Association, execute such documents as may be necessary to effect or confirm such assignment. The amount thereof received by the Association in rectifying that condition and any amount in excess of those costs shall be returned by the Association to the Owner, subject to the rights of any First Mortgagee having a lien upon such Owner's Lot.

Section 4. Party Walls.

(a) General Rules of Law to Apply. Each wall built as a part of the original construction of the Living Unit upon the Property and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. Each privacy fence (including walls

or fences between decks), decorative fence or other dividers which may be located on the dividing line between two Lots shall also be deemed "party walls" for purposes of this Section 4, and the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

- (b) Sharing of Repair and Maintenance and Destruction by Fire or Other Casualty. If any such party wall [including, without limitation, any party wall fence or other divider] is damaged or destroyed by fire (other than a fire caused by the Owner or Occupant of one of the Lots) or other casualty or by some cause other than the act of one of the Owners or Occupants, or the agents, guests or family of any Owner or Occupant (including ordinary wear and tear and deterioration from lapse of time), or if a party wall, party wall fence or other divider requires Maintenance (including, but not limited to, painting), then in such event both such adjoining Owners shall proceed forthwith to rebuild or repair or paint the same to as good condition (and same color) as was formerly existing and they shall share equally the costs of Maintaining the party wall, party wall fence or other divider.
- (c) Damage Caused by One Owner or Its Occupant. If any such party wall or party wall fence or divider is damaged or destroyed through the act of one adjoining Owner or Occupant or any of the agents, guests, or members of the family such Owner or Occupant (whether or not such act is negligent or otherwise culpable), or if one adjoining Owner or Occupant fails to Maintain the party wall or party wall fence or other divider in good repair and condition [including painting and pointing of party walls and party wall fences] so as to deprive the other adjoining Owner or Occupant of the full use and enjoyment of the wall, fence or other divider, then the Owner who is at fault (or the Owner of the Lot whose Occupant is at fault) shall forthwith proceed to rebuild and repair (or repaint in the previous color) the same to as good condition as formerly existed at its sole cost and expense, without cost to the adjoining Owner or Occupant. If any retaining wall on the Common Areas, is damaged or destroyed other than by the act of one of the Owners or Occupants, or the agents, guests or family members of any Owner or Occupant, then in such event the Association shall be responsible for rebuilding or repairing the retaining wall to as good condition as was formerly existing. If a retaining wall on the Common Areas is damaged or destroyed by the act of one or more of the Owners or Occupants, or the agents, guests or family members of any Owner or Occupant, then in such event the Owner(s) and Occupant(s) responsible for such damage shall be responsible for the cost of rebuilding or repairing the retaining wall to its prior condition. The repair, replacement or rebuilding of any retaining wall on a Lot shall be the sole responsibility of the Owner of such Lot.
- (d) <u>Damage by Exposure</u>. If any party wall, party wall fence or other divider is damaged by reason of exposure to the elements caused by the negligence or intentional acts of the Owner(s) or Occupant(s) of a Lot sharing the use of such party wall, party wall fence or other divider, then the Owner of such Lot shall be responsible for the prompt repair of such party wall, party wall fence or divider at such Owner's sole expense.

- (e) Other Changes. In addition to meeting the other requirements of these restrictive covenants and of any building code or similar regulations or ordinances, any Owner or Occupant proposing to modify, make additions to or rebuild a residence in any manner which requires the extension or other alteration of any party wall (including party wall fences, piers or columns and other property line dividers, to the extent the same exist) shall first obtain the written consent of the adjoining Owner.
- (f) <u>Right to Contribution Runs with the Land</u>. The right of any Owner to contribution from any other Owner under this Section 4 shall be appurtenant to the land and shall pass to the successors in title to the Owner entitled to such contribution.
- (g) <u>Dispute</u>. In the event of a dispute between Owners with respect to the repair, Maintenance of a party wall or party wall fence, or other property line divider, or with respect to the sharing of the cost thereof, then, upon written request of any one of such Owners addressed to the Association, the matter shall be submitted to the Board of Directors, who shall decide the dispute, and the decision of such Board of Directors shall be final and conclusive upon the parties. If any Owner fails to repair, replace or Maintain any party wall, party wall fence, courtyard wall, pier or column or other property line divider in good repair and condition after a decision by the Board of Directors that such work is required, then such failure by an Owner shall be deemed a violation of this Declaration and the rights of the Association pursuant to Article VI, Sections 3(b) and 3(c) shall apply.
- Section 5. Maintenance by Association. Commencing on the date of conveyance of the first Lot to an Owner other than the Declarant or a Participating Builder, the Association shall be responsible for the management and Maintenance of the Common Areas including, without limitation, all those obligations of the Association described in Article IV, Section 1 of this Declaration, but specifically excluding those items for which the Owners are responsible as set forth in Article VI, Section 3. The cost of upkeep of the Common Areas shall be assessed as a Common Expense against all Lots as part of the Annual Assessments. The Association shall not have any responsibility for the Maintenance of the Lots, except as set forth in Article IV, Section 1. If the Board of Directors determines that certain Maintenance was necessitated by the negligence, misuse or neglect of an Owner or Occupant, the cost of such repairs or replacements shall be assessed against such Owner's Lot as a Restoration Assessment pursuant to Article V, Section 4 of this Declaration.

Section 6. Resale of Lots.

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- (a) <u>Reference to Declaration</u>. The deed or instrument transferring title to any Lot shall contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration and in any applicable Supplementary Declaration.
- (b) <u>Notification</u>. The contract seller of a Lot shall notify the Association of the contract purchaser and the scheduled date and place conveyance will be accomplished.
- (c) <u>Statement of Assessments</u>. Upon receipt of the notification described in Section 6(b) of this Article VI, the Board of Directors or the managing agent shall prepare a written

statement which shall set forth any assessments and charges due upon such Lot at the time of conveyance (or a statement that the amount of unpaid assessments and charges is zero) and shall certify as to whether there are any violations of the Governing Documents remaining on the Lot as of the date of preparation of such statement. This statement shall be delivered to the place of closing, and outstanding assessments, if any, shall be deducted from the Seller's account at the closing and transmitted directly to the Association. The Board of Directors may charge a reasonable fee for the preparation of this statement.

ARTICLE VII EASEMENTS

Section 1. Utility Easements.

- (a) <u>Installation and Operation of Utilities</u>. There is hereby created a perpetua! easement upon, across, over, through and under the Property for ingress, egress, and for the location, installation, and Maintenance of all utility and service lines and systems, including, but not limited to, water, sanitary sewers, storm water drainage and sewers, gas, telephones, electricity, television cable, and communication lines and systems, whether public or private, and all pipes, wires, lines, ducts, shafts, conduits and equipment related thereto. By virtue of this easement, it shall be expressly permissible for the Declarant or a Participating Builder, or the providing utility or service company with the consent of the Declarant and/or a Participating Builder, to install and Maintain facilities and equipment on the Property, to excavate for such purposes, and to affix and Maintain wires, circuits, and conduits underground and on, in and under the roofs and exterior walls of Living Units, provided that such company restores as nearly as is practicable all disturbed areas to the condition in which they were found.
- (b) Maintenance of Utilities. Portions of the underground storm water management facilities, water lines and sanitary sewer lines serving the Property may be located below the Common Areas or one or more Lots and Living Units. There is hereby created across, over, through and upon each Lot and the Common Areas an easement for the benefit of the Declarant, the Participating Builders and the Association for purposes of Maintaining the storm water lines, water lines, sanitary sewer lines, pipes, conduits and related storm water, water and sanitary sewer transmission facilities located on or under such Lot and/or Living Unit or the Common Areas; provided, however, that such Maintenance shall not unreasonably interfere with the use or occupancy of the Living Units.
- (c) Reservation of Right to Grant Utilities Easements. For a period of ten (10) years following the date of recordation of this Declaration, the Declarant, with respect to the Common Areas, and each Participating Builder, with respect to the Lots which it then owns or at any time has owned, shall have the unilateral right to enter into easement agreements with Governmental Authorities and agencies and private utility companies more specifically establishing easements over and across the Common Areas, or the Lots, as applicable, for such storm water, water and sanitary sewer lines.
- (d) <u>Master Service Panels for Utilities</u>. Certain utility and service lines and systems may be distributed to multiple Living Units from master service panels attached to the exterior of

one or more Living Units. To the extent that any master service panel exists on the Property, each Owner of a Living Unit served by such master service panel shall have an easement over, across and upon the Lot on which the Living Unit to which the master service panel is attached which serves his or her Living Unit in order to Maintain the master service panel; provided, however, that such Owner entering upon the Lot of another Owner shall use best efforts not to disturb the Owner of the Living Unit to which the master service panel is attached and not to disturb utility service to any of the Living Units serviced by the master service panel, and the Owner exercising this easement shall be responsible for repairing any damage caused by reason of his or her entrance, or that of his or her contractors, upon the Lot of another Owner. As used herein, the term "master service panel" shall mean and refer to a grouping of one or more utility service meters and distribution lines (i.e., a group of electric meters). In addition, there is hereby created an easement across all portions of the Property, including Lots, for the location of transformers and utility meters and meter boxes which serve some or all of the Living Units.

(e) <u>Limitation</u>. Notwithstanding anything to the contrary contained in this Article VII, Section 1: (1) no sanitary sewers, storm water drainage facilities, electrical lines, water lines, gas lines or other utility service lines or facilities for such utilities may be installed or relocated on the Property, except as approved by the Declarant and the Participating Builders prior to the conveyance of the first Lot to an Owner, or approved by the Participating Builders and the Association thereafter, and (2) this Section 1 of Article VII shall not be construed to apply to the relocation, installation or removal of utility lines within a Living Unit which serve only that Living Unit. This easement shall in no way affect, avoid, extinguish or modify any other recorded easements on the Property.

Section 2. Easements for Drainage.

- (a) <u>Easement for Drainage</u>. Each Lot is hereby subject to an easement and right of passage upon, across and under such Lot for the drainage and discharge of water from any storm drain, down spout or yard drain situated on another Lot and the Owner of such Lot may not alter or obstruct such drainage or flow of water to the detriment of any Living Unit, Lot or the Common Areas.
- (b) Reservation of Right to Correct Drainage. For a period of ten years (10) from the date of submission of each Lot to this Declaration, the Declarant hereby reserves for itself and for each Participating Builder (as to the Lots then or at any time previously owned by such Participating Builder) a blanket easement and right on, over, and under the Property, including, without limitation, the ground within each Lot to maintain, modify 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, perform any grading of the land, and to take any other similar action which may be reasonably necessary, following which the Declarant or the responsible Participating Builder shall restore the affected property to its original condition as nearly as practicable. The Declarant and the applicable Participating Builder shall give reasonable notice of its intent to take such action to all affected Owners, unless in the opinion of the Declarant or the Participating Builder, an emergency exists which precludes such notice. Each Lot within the Property is hereby subject to an easement and right of passage upon, across, and under each other Lot within the Property for the drainage and discharge of

water from any storm drain, downspout or yard drain situated on another Lot and the Owner of such Lot may not alter or obstruct such drainage or flow of water to the detriment of any Lot or the Common Areas.

Section 3. Construction Easements and Rights. Notwithstanding any provision of this Declaration or of any Supplementary Declaration, there is hereby reserved unto the Declarant and the Participating Builders (each as to the Lots owned or at any time previously owned by such Participating Builder) (and to the successors and assigns of each, to whom such easement has been specifically assigned in writing), their employees, agents and assigns, a non-exclusive perpetual easement and right-of-way upon, across and over (a) any portion of the Property, as to the Declarant, and (b) the Lots owned or at any time previously owned by a Participating Builder, as to a Participating Builder (but not within the interior of a Living Unit which has been occupied) for (i) the movement and storage of building materials and equipment, (ii) the location, installation, construction, replacement, and Maintenance of all utility and service lines and systems, including, but not limited to, water, sanitary sewer lines, cables, storm drains, gas lines, telephone lines, electric lines, communication lines and systems, and appurtenances to any of same, (iii) the construction, installation and Maintenance of improvements (including, without limitation, buildings, landscaping, street lights, directional and promotional signs) and utilities in, on, across and/or under the Property, (iv) the conduct of sales activities, including, but not limited to, the maintenance of model Living Units, a sales office, storage area, signs and displays, (v) curb cuts, slope or grading easements, (vi) vehicular and pedestrian ingress and egress, (vii) all other purposes reasonably related to the completion of development and construction of the Property, (viii) to carry out any obligations it may have, or assume, with respect to the curing of any defects in workmanship or materials in the Property or the improvements thereon, and (ix) the furnishing of warranty services.

By virtue of this easement, it shall be expressly permissible to erect, install and Maintain the necessary poles, pipes, lines, service boxes and other equipment on the Property, to affix and Maintain electrical or telephone wires and conduits, sewer and water drainage lines, on, above, or below any portion of the Property, including any improvements constructed thereon, and to have construction vehicles, equipment and the like exercise the aforesaid right of ingress and egress over the Property. There is further reserved unto the Declarant, for itself and for each Participating Builders, the right to erect entry features, promotional and other similar items within their respective portion of the Property provided they do not unreasonably interfere with the use, operation and enjoyment of the Property. There is further reserved unto the Declarant, for itself and for each Participating Builder, the right to grant specific easements, both temporary and permanent, to any person or entity, including, without limitation, all public authorities and public and private utility companies, over any part of their respective portion of the Property in furtherance of the blanket easement created by this subsection. Further, without limiting the generality of the foregoing, the Declarant and Participating Builders reserve the right to unilaterally execute and record such additional easements and agreements as may be necessary in order to give effect to the foregoing easements and other rights, which additional easements and other agreements need not be consented to or joined in by any party having an interest in the Property; provided, however, that if requested by the Declarant or a Participating Builder, any party having an interest in the Property shall promptly join in and execute such confirmatory easements and other agreements.

<u>Section 4.</u> <u>Easements/Dedications Over WMATA Dedication Area and Pedestrian</u> Bridge Dedication Area

- (a) <u>WMATA Dedication Area</u>. The WMATA Dedication Area shown on the Development Plan has been reserved for a proposed WMATA Metrorail Station. At the request of the City of Alexandria, the WMATA Dedication Area will be dedicated or conveyed by the Declarant or the Association to the City of Alexandria, at the City's election, for such WMATA Metrorail Station and ancillary purposes. In addition, at the request of the City of Alexandria, the Declarant will grant a temporary construction easement across the Common Areas (including, without limitation, the alleyways) adjacent to the WMATA Dedication Area for purposes of construction of the WMATA Metrorail Station.
- (b) <u>Pedestrian Bridge Dedication Area</u>. The Pedestrian Bridge Dedication Area shown on the Development Plan has been reserved for a landing and ramps for the proposed Pedestrian Bridge. At the request of the City of Alexandria, the Pedestrian Bridge Dedication Area will be dedicated or conveyed by the Declarant or the Association to the City of Alexandria, at the City's election, for such Pedestrian Bridge. In addition, at the request of the City of Alexandria, the Declarant will grant a temporary construction easement across the Common Areas (including, without limitation, the alleyways) adjacent to the Pedestrian Bridge Dedication Area for purposes of construction of the Pedestrian Bridge.
- (c) <u>Public Neighborhood Parks; Public Tot Lots</u>. At the request of the City of Alexandria, the Declarant or the Association shall dedicate to the City of Alexandria the Public Neighborhood Parks and the Public Tot Lots for public use.
- (d) <u>Public Streets</u>. At the request of the City of Alexandria, the Declarant or the Association shall dedicate to the City of Alexandria the streets as shown on the Site Plan and/or the Development Plan for public use.
- (e) <u>Reservation of Rights</u>. The Declarant reserves the right, without the consent of any Owner, to enter into and grant all of the foregoing easements and dedications which are required by the City as described in this Article VII, Section 4.
- Section 5. Easement to Inspect and Maintain. There is hereby created an easement in favor of the Declarant, the Participating Builders and the Association for ingress and egress over any Lot (a) to inspect such property for alleged violations of the Governing Documents, based on formal, written complaints, for compliance with architectural standards and approved plans for alterations and improvements and (b) to perform such Maintenance as is required by this Declaration or the Supplementary Declaration for such Lot, provided the Owner of such Lot is given written Notice of the purpose and time of inspection at least three (3) days in advance thereof and such inspection is performed during reasonable hours.
- Section 6. Easement for Maintenance. The right of access over, across and through any portion of the Property (including occupied Living Units with Notice to the Owner(s) or Occupant(s) is hereby granted to the Association, the Declarant, the Participating Builders, the Management Agent and any other persons authorized by the Board of Directors in its exercise and discharge of their respective powers and responsibilities, including, without limitation,

performance of Maintenance of the Common Areas, Living Units and other improvements located on the Property for which the Declarant or the Association is responsible for upkeep or Maintenance, or to correct any condition which violates the Governing Documents. No notice to any Owner shall be required in connection with the Maintenance of the Common Areas by the Association. The agents, contractors, officers and Directors of the Association may also enter any portion of the Property (including any occupied Living Unit upon Notice to the Owner or Occupant) in order to provide for the upkeep of the areas subject to easements granted to the Association by this Declaration. Each Owner shall be liable to the Association for the cost of Maintenance performed or made by the Association and necessitated by any act, neglect, carelessness or failure to comply with the Governing Documents and the costs incurred by the Association shall be assessed against such Lot Owner as a Special Assessment in accordance with the provisions of Article V, Section 4(b) hereof.

- Section 7. Easement for Governmental Personnel. A right of entry on any Lct or Common Areas is hereby granted to the Association, its Directors, officers, agents and employees, to any manager employed by or on behalf of the Association, and to all law enforcement officers, fire and rescue personnel as needed to carry out their duties, including enforcement of cleared emergency vehicle access.
- Section 8. Easement for Landscaping, Signs, and Related Purposes. There shall be and is hereby reserved to the Declarant and to each Participating Builder, with respect to Lots then or previously owned by such Participating Builder, for a period of ten (10) years from the date of recordation of this Declaration, a non-exclusive easement over all Lots (as to the Declarant, and those Lots then or previously owned by a Participating Builder, as to a Participating Builder) and Common Areas for a distance of ten (10) feet behind any Lot line which parallels a street for the purpose of erecting and Maintaining street intersection signs, directional signs, mailboxes, temporary promotional signs, plantings, street lights, entrance features and/or "theme areas," lighting, stone, wood or masonry wall features, related landscaping, or any combination of the foregoing. Exercise of this easement will be with the consent of the Owner of the affected Lot, or the Architectural Review Board if the said Owner does not consent.

Section 9. Access Easements.

- (a) <u>Private Access Easements</u>. There is hereby created a non-exclusive, perpetual easement and right-of-way upon, across, over and through all of the Common Areas, and any sidewalk or walkway (or the replacement thereof) constructed within the Property by a Participating Builder that may be reasonably deemed to have been constructed or intended for pedestrian use (collectively, the "General Access Easements"), for the benefit of the Owners and Occupants of the Property, and their respective invitees, contractors, agents and employees and their successors and assigns, for the purpose of ordinary and reasonable ingress and egress to and from the Property and ingress and egress to and from each of the Lots and Living Units and the Common Areas within the Property.
- (b) <u>Public Access Easement</u>. As required by the SUP Conditions, the Declarant has granted or will grant non-exclusive, perpetual easements and rights-of way (the "Public Access Easements") upon, across, over and through all of the Common Areas, including, without

limitation, the Neighborhood Parks, the streets, the sidewalks, the open spaces, and the Tot Lots on the Property (other than the Public Neighborhood Parks, Public Tot Lot, sidewalks within the rights-of-way of the public streets, all of which will be dedicated to the City of Alexandria pursuant to Article VII, Section 4 hereof, and any other areas which are dedicated to the City of Alexandria); provided, however, that such Public Access Easements do not and will not encumber the Clubhouse or the Swimming Pool Area.

Section 10. Mailboxes. As provided in Article VI, Section 2(t), to the extent that there are mailboxes which serve more than one Living Unit located on a Lot, each Owner whose mailbox is located on that Lot is hereby granted an easement over and across such Lot for ingress and egress to access his or her mailbox; provided that no Owner shall cause damage to the Lot on which the mailboxes are located.

Section 11. Easement for Emergency Access. An easement is has been granted to the City of Alexandria over, through and across the Property for emergency vehicle access, including, without limitation, all police, fire, ambulance and other rescue personnel for the lawful performance of their functions during emergencies.

Section 12. Easements for Support, Encroachments, Enclosed Areas.

- (a) Easements of Support. There is hereby created across, through and under each Lot and the Common Areas, including both land and improvements, a perpetual, non-exclusive easement of support in and to all structural members, columns, footings, caissons, beams, walls, piles, slabs and other supporting components and foundations which are necessary for support of improvements or land in adjacent Lots and the Common Areas. To the extent that any Living Unit on a Lot or the Common Areas encreaches on any other Lot or on the Common Areas. whether by reason of settling or shifting of any land or improvements, or by deviation in the construction, repair, restoration or replacement of any improvements, a valid easement shall exist for the encroachment and for the Maintenance of same so long as the encroaching Living Unit or Common Areas exist. In the event that any Living Unit shall be partially or totally destroyed as a result of a fire or other casualty or as a result of condemnation or eminent domain proceedings, and then such Living Unit is reconstructed or repaired, the shared improvements may be reconstructed in the same location and manner as they previously existed and valid easements for the shared use of such improvements shall continue to exist. The encroachment of parts of the Common Areas upon any Living Unit or any Living Unit upon the Common Areas resulting from such reconstruction or repair shall be permitted, and valid easements for such encroachment shall exist so long as the encroaching improvements shall exist.
- (b) Easements for Encroachments. With respect to any step, stoop, patio, deck, downspout, yard drain, overhang, air-conditioning equipment or other structure, equipment or improvement which may encroach upon any portion of the Common Areas or an adjacent Lot, and that may benefit any Lot by reason of (i) construction or installation by a Participating Builder; (ii) deviations within normal construct tolerances in the Maintenance of any improvements; or (iii) the settling or shifting of any land or improvement there is hereby reserved for the benefit of the Lot from which such step, stoop, patio, deck, overhang, downspout, drain, air-conditioning equipment or other structure or equipment or improvement originates, a perpetual easement over and across the Common Areas and/or the adjacent Lot for

the location, Maintenance and use of such structure, equipment or other items within the Common Areas or adjacent Lot. The Owner of the Lot benefiting from such easement agrees to Maintain such structure, equipment or item or improvement and to indemnify and hold the Association and the Owner of the adjacent Lot on which such structure, equipment, item or improvement is located, harmless from any loss, liability or damage arising out of or resulting from the use, enjoyment and benefit of the easement granted hereby. These easements do not relieve any Owner of a Lot from liability for such Owners' negligence or willful misconduct, and do not extend to any encroachment caused by alterations or inadequate Maintenance, resulting in unreasonable interference with the normal use and enjoyment of the Lot.

- (c) <u>Easement for Use of Enclosed Common Areas</u>. There is hereby created for the benefit of each Lot, which is enclosed, in whole or in part, by any wooden, brick, stone or other similar fence and/or wall constructed by a Participating Building, a perpetual easement to use any portion of the Common Areas that may be located between such fence and/or wall and the record platted lot line for such benefited Lot; and the obligation to Maintain such portion of the Common Areas shall be that of the Owner of the benefited Lot and the obligation to Maintain the wooden, brick, stone, or other similar fencing located within the Common Areas, which encloses the benefited Lot, shall be that of the Owner of the benefited Lot. The Owner of any Lot benefiting from the foregoing easement agrees to indemnify and hold the Association harmless from any loss, liability or damage arising out of or resulting from the use, enjoyment and benefit of the easement rights provided for herein.
- (d) <u>Mutual Easements for Utilities</u>. A mutual right and easement for utility services is hereby established for the benefit of all Owners, such that no Owner shall take any action which would in any way interfere with utility services being provided to other Owners within the Property. If a Lot contains any utility pipes, ducts, conduits, wires or the like whether through walls, floors or ceilings of a Living Unit or garage and which are for the benefit, in whole or in part, of other Owners within the Property, then the Owner of such Lot shall promptly, at the Owner's expense, repair any damage to such utilities caused by the Owner, or such Owner's tenants, lessees, agents, guests, invitees, licensees or family members.
- Section 13. Reservation of Right to Grant Easements and Dedicate Rights-of-Way. The Declarant and the Participating Builders hereby reserve the absolute right, for a period of ten (10) years following the date of recordation of this Declaration, to grant easements, both temporary and permanent, over their respective portion of the Property, including, without limitation, the Lots and the Common Areas, or any portion or portions thereof, as may be required by any Governmental Authority, quasi-governmental authority by, public and private utility companies, or as are otherwise in accordance with the SUP, the Site Plan or the SUP Conditions, or other plans for the Property approved by the City of Alexandria, Virginia. In addition, the Declarant and the Participating Builders hereby reserve the absolute right, for a period of ten (10) years following the date of recordation of this Declaration, to dedicate all, or any portion of the streets within the Property for public use. Until such time as the City notifies the Declarant or the Association that the City requires the dedication of the streets for public use and the City accepts the streets for Maintenance, then the streets shall be Maintained by the Association in accordance with the provisions of Article IV, Section 1 of this Declaration.

- <u>Section 14.</u> <u>Association Easements</u>. The Board of Directors of the Association shall have the right to grant easements, rights-of-way, licenses and similar interests over any part of the Common Areas for any lawful purpose which the Board determines, in its sole discretion, to be in the best interests of the Association.
- Section 15. Reservation of Right to Modify Plans. The Declarant and the Participating Builders hereby reserve the right to modify or alter the size, number, type and location of the Common Areas and Lots, as well as the improvements thereon, as they deem necessary or desirable in conjunction with the development of the Property. Without limiting the generality of the foregoing, the Declarant and the Participating Builders reserve the right to resubdivide all or a portion of the Property, to convey Common Areas, to modify the Site Plan, to construct improvements on the Common Areas, and to take whatever other action with respect to the Common Areas and the Lots as the Declarant and Participating Builders may deem necessary or desirable.

ARTICLE VIII RIGHTS OF MORTGAGEES AND PUBLIC AGENCIES

- Section 1. Consents. Subject to the right of the Declarant to annex additional properties and subject them to this Declaration, as provided in Section 2(a) of Article II, the Association shall not, without the consent of (i) Class A Members holding at least sixty-seven percent (67%) of the votes in the Association, (ii) the Class B Members, so long as the Class B membership exists, and (iii) subject to the provisions of Article X, Section 2 hereof, at least fifty-one percent (51%) of the First Mortgagees, take any of the following actions unless the action is required by one or more of the Federal Mortgage Agencies or the City of Alexandria, Virginia, or the Commonwealth of Virginia, in which case none of these consents shall be required:
- (a) <u>Abandon, Partition, Encumbrance of Common Areas</u>. By act or omission seek to abandon, partition, encumber, sell or transfer the Common Areas or other property owned by the Association. The granting of easements for public utilities or other public purposes consistent with the intended use of the Property, or in accordance with Article VII, shall not be deemed a transfer within the meaning of this clause.
- (b) <u>Failure to Maintain Insurance</u>. Fail to maintain fire and extended coverage insurance on insurable parts of the Common Areas or other Association property on a current replacement-cost basis in an amount not less than one hundred percent (100%) of the insurable value, based on current replacement costs, not including land value.
- (c) <u>Misappropriation of Insurance Proceeds</u>. Use hazard insurance proceeds for other than the repair, replacement or reconstruction of such property.
- (d) <u>Amendments to Declaration</u>. Add or amend any material provisions of this Declaration or related Association documents concerning the following:
 - (i) voting rights of any Member;

- (ii) assessments, assessment liens, collection of assessments or subordination of such liens for assessments;
- (iii) reserves for Maintenance, repair, and replacement of those parts of the Common Areas that may be replaced or require Maintenance on a periodic basis;
 - (iv) insurance or fidelity bond coverages;
 - (v) responsibility for Maintenance of the Property;
 - (vi) architectural controls:
- (vii) annexation or withdrawal of property to or from the Property, subject to the provisions of Article II;
 - (viii) leasing of Living Units;
- (ix) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his property;
- (x) a decision by the Association to establish self-management when professional management had been required previously by a First Mortgagee;
- (xi) restoration or repair of the Common Areas or any improvements thereon after a hazard, damage or partial condemnation;
- (xii) termination of this Declaration after substantial destruction or condemnation occurs; or
 - (xiii) any provisions that are for the express benefit of First Mortgagees.

An addition or amendment to this Declaration or related Association documents shall not be considered material if it is for the purpose of correcting technical errors or for clarification only. A First Mortgagee who receives a written request to approve material additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

- Section 2. Notice and Other Rights. The Association shall maintain a file of all Eligible Mortgage Holders, with a designation of the property in which they have an interest; and shall send a copy of such list to any First Mortgagee who makes a written request for such list at least once every twelve months. The Association shall give prompt written Notice to each Eligible Mortgage Holder (and each Owner hereby consents to, and authorizes such Notice) of the following:
- (a) <u>Condemnation or Casualty</u>. Any condemnation loss or any casualty loss which affects a material portion of the Common Areas or any Lot which is subject to a First Mortgage or security interest held, insured or guaranteed by such Eligible Mortgage Holder;
- (b) Assessment Delinquency. Any delinquency in the payment of Annual Assessments, Special Assessments or other charges owed by an Owner whose Lot is subject to a First Mortgage or security interest held, insured or guaranteed by such Eligible Mortgage Holder, which delinquency remains uncured for a period of sixty (60) days;

- (c) <u>Modification of Cancellation of Insurance Policies</u>. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Other Matters. Any other matter with respect to which Eligible Mortgage Holders are entitled to Notice or to give the consent as provided in this Declaration.

To be entitled to receive Notice of the foregoing, the Eligible Mortgage Holder must send a written request to the Association, stating both its name and address and the Lot and Square designation or address of the Lot on which it has (or insures or guarantees) the Mortgage. Any Eligible Mortgage Holder or Mortgagee who is notified of any matter for which it is entitled to Notice as provided herein (such notice to be written Notice), and which fails to respond within thirty (30) days of receipt of such notice shall be deemed to have consented, if applicable, to the matter of which the Eligible Mortgage Holder or Mortgagee was provided Notice.

- Section 3. Payment of Taxes and Charges. A First Mortgagee may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Areas, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage upon the lapse of a policy for such Common Areas. The First Mortgagee or First Mortgagees making such payments shall be owed, upon demand, reimbursement therefor by the Association.
- Section 4. <u>Casualty Losses</u>. In the event of substantial damage or destruction to any of the Common Areas, the Board of Directors of the Association shall give prompt written notice of such damage or destruction to the Eligible Mortgage Holders who hold First Mortgages of record on the Lots. No provision of this Declaration or the Articles of Incorporation or the Bylaws of the Association shall entitle any Member to any priority over the holder of any First Mortgage of record on his or her Lot with respect to the distribution to such Member of any insurance proceeds paid or payable on account of any damage or destruction of any of the Common Areas.
- Section 5. Condemnation or Eminent Domain. In the event any part of the Common Areas is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board of Directors of the Association shall give prompt written notice of any such proceeding or proposed acquisition to the Eligible Mortgage Holders who hold First Mortgages of record on the Lots. No provision of this Declaration or the Articles of Incorporation or the Bylaws of the Association shall entitle any Member to any priority over the holder of any First Mortgage of record on his or her Lot with respect to the distribution to such Member of the proceeds of any condemnation or settlement relating to a taking of any of the Common Areas.
- <u>Section 6.</u> <u>Collection of Assessments</u>. Mortgagees shall have no obligation to collect Annual Assessments or Special Assessments, or other charges owed by an Owner to the Association.
- Section 7. Approvals. So long as the Participating Builders have Class B voting rights, the following actions shall require the prior approval of the Federal Mortgage Agencies: (a) amnexation of additional properties not within the initial Property; (b) dedication of the Common Areas, except to the extent contemplated by this Declaration; (c) mergers and

consolidations; (d) mortgaging of the Common Areas; and (e) amendment of this Declaration and any Supplementary Declaration in a manner restricted by the regulations of such Federal Mortgage Agency.

ARTICLE IX MANAGEMENT

- Section 1. Management Agent. The Board of Directors may employ for the Association a Management Agent at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing, including, but not limited to, the following:
- (a) <u>Collection of Assessments</u>. To establish (with the approval of the Board of Directors of the Association) and provide for the collection of the Annual Assessments and Special Assessments provided for in this Declaration and to provide for the enforcement of liens therefor in a manner consistent with the law and the provisions of this Declaration; and
- (b) Maintenance. To provide for the care, upkeep, Maintenance and surveillance of the Common Areas and facilities thereon; and
- (c) <u>Personnel</u>. To designate, hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the Common Areas and facilities thereon; and
- (d) <u>Rules</u>. To promulgate (with the approval of the Board of Directors of the Association) and enforce the Rules and restrictions or requirements, "house rules" or the like as may be deemed proper respecting the use of the Common Areas and facilities thereon; and
- (e) Other Services. To provide such other services (including legal and accounting services) for the Association as may be consistent with law and the provisions of this Declaration.
- Section 2. Term of Management Agreements. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon thirty (30) days written notice thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive periods of one (1) year each.

Any management agreement entered into while the Participating Builders are in control of the Association must be terminable, without cause, any time after transfer of control, on not less than thirty (30) days, nor more than ninety (90) days, notice, and no charge or penalty may be associated with such termination.

ARTICLE X GENERAL PROVISIONS

Section 1. Duration. Except where permanent easements or other permanent rights or interests are herein created, the covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty-five (25) years, unless the covenants and restrictions are expressly terminated by an instrument signed by (i) not less than seventy-five percent (75%) of the Class A Members, (ii) the Class B Members, if Class B membership still exists, (iii) and sixty-seven percent (67%) of the First Mortgagees. A termination must be recorded among the Land Records of the City of Alexandria, Virginia, in order to become effective.

Section 2. Amendment. This Declaration may only be amended by an instrument signed by, or the affirmative vote of, the Class A Members entitled to cast not less than sixty-seven percent (67%) of the total votes in the Association, and the consent of the Class B Members, so long as the Class B membership shall exist. All amendments must be recorded in the Land Records of the City of Alexandria, Virginia, in order to become effective.

Section 3. Changes and Modifications by the Declarant. Notwithstanding any other provision, express or implied, of this Declaration to the contrary, for a period of ten (10) years after the recordation of this Declaration, the Declarant may unilaterally (without the consent of any Cymer or any other party, except as provided in Sections 4 and 5 of this Article X) make any amendment to this Declaration, in the exercise of its sole discretion and with the irrevocable power as attorney-in-fact on behalf of all Owners (which power shall be deemed coupled with an interest) which is required by any of the Federal Mortgage Agencies or any Governmental Authority as a condition of approval of the development of the Property, or which is required in connection with any changes in the governmental approvals which exist as of the date of this Declaration with respect to the Property, or to reflect the grant and conveyance of any easements reserved to the Declarant or the Participating Builders, or to correct errors or omissions herein, or an inconsistency or a scrivener's error, or to clarify an ambiguity in this Declaration (including, without limitation, recalculating the liability for assessments or the number of votes in the association appertaining to a Lot) or to modify, amend or change any of the provisions of this Declaration, the Articles of Incorporation and the Bylaws of the Association, as the Declarant may deem necessary or desirable. Any such amendment shall be made by the execution and recordation of such amendment and written Notice of such amendment shall be provided to all Owners. After such ten (10) year period, or to make any amendment which is not one required by the Federal Mortgage Agencies or a Governmental Authority, or which is not otherwise permitted above to be made unilaterally by the Declarant, any amendment shall be accompanied by (a) a document signed by (i) Class A Members holding not less than sixty-seven percent (67%) of the votes in the Association, (ii) the Class B Members, if Class B membership still exists, and (iii) the Association, and (b) evidence of the approval required in Article VIII above. Regardless of the date of recordation of this Declaration, the principal officer of the Association may also unilaterally execute and record such a corrective amendment as described above upon a vote of sixty-seven percent (67%) of the members of the Board of Directors of the

Association. All amendments must be recorded in the Land Records of the City of Alexandria, Virginia in order to become effective.

Section 4. Restrictions on Changes and Modifications for the benefit of the City of Alexandria. Notwithstanding any other provision regarding amendment of this Declaration, the obligations of the Association set forth in Article IV, Section 1 of this Declaration with respect to the Maintenance of street lights, alleyways, sidewalks and walkways adjacent thereto, crosswalks, guard rails, private water and sanitary sewer systems and Storm Water Facilities (including private water lines and watermains) shall be perpetual and may not be amended without the prior written consent of the City of Alexandria, Virginia. Furthermore, the provisions of this Declaration which are required by the SUP Conditions shall not be amended without the prior written consent of the City of Alexandria, Virginia.

Section 5. Restrictions on Changes and Modifications for the Benefit of the Potomac Yard Property Owner. Notwithstanding any other provision regarding amendment of this Declaration, the obligations of the Association to Maintain the Neighborhood Parks (other than the Public Neighborhood Parks), to dedicate to the City the WMATA Dedication Area and the Pedestrian Bridge Dedication Area, upon the request of the City, and to pay its fifty percent (50%) share of the costs for insuring and Maintaining the Pedestrian Bridge, if and when such Pedestrian Bridge is constructed, shall be perpetual and such obligations may not be amended without the prior written consent of the Potomac Yard Property Owner.

Enforcement. The Association, the Declarant, a Participating Builder, any Owner, and any First Mortgagee, as their interests may appear, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration and any Supplementary Declarations. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the covenants or restrictions in this Declaration or any provision of the Bylaws or Articles of Incorporation of the Association cannot be adequately remedied by action at law or exclusively by recovery of damages. If the Association, or any Owner or Mortgagee of any Lot, successfully brings an action to extinguish a violation or otherwise enforce the provisions of this Declaration or the Articles of Incorporation or Bylaws of the Association, the costs of such action, including legal fees, shall become a binding, personal obligation of the Owner committing or responsible for such violation, and such costs shall also be a lien upon the Lot of such Owner. In addition, the Potomac Yard Property Owner shall have the right to enforce the obligations of the Association to (i) Maintain the Neighborhood Parks (other than the Public Neighborhood Parks), (ii) dedicate to the City, upon request of the City, the WMATA Dedication Area and the Pedestrian Bridge Dedication Area, and (iii) pay the Association's fifty percent (50%) share of the costs for insuring and Maintaining the Pedestrian Bridge, if and when such Pedestrian Bridge is constructed, as well as the provisions of Article X, Section 5 of this Declaration.

Section 7. Certain Rights of the Declarant and Participating Builders. For such time as the Participating Builders (or an assignee or successor to the Participating Builder as described in Article III, Section 2(c) hereof) shall own Lots, its rights and interests shall not be prejudiced

by any amendment to the Governing Documents which results in any of the following actions unless the Participating Builders shall, in writing, join in such actions:

- (a) Discriminates or tends to discriminate against its rights as an Owner;
- (b) Changes Article I, Definitions, in a manner which alters its rights or status;
- (c) Alters its rights under Article II with respect to the annexation of additional properties;
- (d) Alters the character and rights of membership or the rights of the Declarant and the Participating Builders as set forth in Article III;
- (e) Alters previously recorded or written agreements with public or quasi-public agencies with respect to easements and rights-of-way;
- (f) Denies the right to convey Common Areas to the Association so long as such Common Areas lie within the land area represented in the Property;
 - (g) Alters its rights as set forth in Article III relating to design controls;
 - (h) Alters the basis for assessments;
 - (i) Alters the provisions of the protective covenants as set forth in Article VI;
 - (j) Alters the number or selection of Directors as established in the Bylaws; or
- (k) Alters the Declarant's or the Participating Builders' rights as they appear under this Article.

No amendment to this Declaration, the Articles of Incorporation or the Bylaws may remove, restore or modify any right, reservation or privilege of the Declarant or the Participating Builders without prior written consent of the Declarant and the Participating Builders or any successors or assigns of the Declarant or the Participating Builder, as applicable.

Section 8. Implied Rights of the Association. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws or any lease, easement or other agreement or document affecting the Association, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 9. Participating Builders' Power of Attorney. Notwithstanding any provision to the contrary contained in the Articles of Incorporation or Bylaws of the Association or this Declaration, each Participating Builder hereby reserves for itself, its successors, transferces and assigns, for a period of ten (10) years from the date the last Lot is conveyed to a Class A Member the right to execute on behalf of all of its contract purchasers, Owners, Eligible Mortgage Holders, mortgagees, and other lien holders or parties claiming a legal or equitable interest in any Lot or the Common Areas, any such agreements, documents, amendments or supplements to this Declaration, the Articles of Incorporation and Bylaws of the Association which may be required by FNMA, FHA, VA, FHLMC, GNMA, or by the City of Alexandria, the Commonwealth of Virginia, or any other Governmental Authority having regulatory jurisdiction over the Association, any public or private utility company designated by the Declarant or by the respective Participating Builder, any institutional lender or title insurance company designated

by the Declarant or by the respective Participating Builder, or as may be required to comply with the Fair Housing Amendments Act of 1988, as amended, to comply with the Act, or to comply with other applicable Laws.

- (a) Consent by Other Parties. By joining into this Declaration, or by acceptance of a deed to any Lot or by the acceptance of any other legal or equitable interest in the Lots or Common Areas, each and every such contract purchaser, Owner, Eligible Mortgage Holder, Mortgagee or other lien holder or party having a legal or equitable interest in any Lot or the Common Areas does automatically and irrevocably name, constitute, appoint and confirm the Declarant, and each Participating Builder, and their respective successors, transferees and assigns, as attorney-in-fact for the purpose of executing such agreement, document, amendment, supplement and other instrument(s) necessary to effect the foregoing subject to the limitations set forth herein.
- (b) <u>Required Consent</u>. No agreement, document, amendment, supplement or other instrument which adversely affects the value of a Lot, or substantially increases the financial obligations of an Owner, or reserves any additional or special privileges for the Declarant or the Participating Builders not previously reserved, shall be made without the prior written consent of the affected Owner(s) and all owners of any Mortgage(s) encumbering the Lots owned by the affected Owner(s). Any such agreement, document, amendment, supplement or instrument which adversely affects the priority or validity of any Mortgage which encumbers any Lot or the Common Areas shall not be made without the prior written consent of the owners of all such Mortgages.
- (c) <u>Power of Attorney Coupled with an Interest</u>. The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Lots and Common Areas and shall be binding upon the heirs, personal representatives, successors, transferees and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power of attorney. Said power of attorney shall be vested in each Participating Builder for its respective Lots, its successors, transferees and assigns until the initial conveyance of all Lots and Common Areas planned to be annexed within the jurisdiction of the Association or the expiration of same.
- Section 10. Successors of Declarant and Participating Builders. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Declarant by an instrument, in writing, without notice to the Association. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the each Participating Builder hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the respective Participating Builder by an instrument, in writing, without notice to the Association.

- Section 11. Limitation of Liability. The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the Common Expense funds or other funds of the Association, or for injury or damage to persons or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Areas or community facilities or other property within the control or supervision of the Association, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any Owner or Occupant for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Areas or other property within the control or supervision of the Association. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or other property within the control or supervision of the Association, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other Governmental Authority.
- Section 12. <u>Limitations</u>. As long as the Declarant and the Participating Builders have an interest in developing the Property as defined in Article I hereof, the Association may not use its financial resources to defray any costs of opposing the development activities of the Declarant and the Participating Builders. Nothing in this Section shall be construed to limit the rights of Members to act as individuals or in affiliation with other Members or groups.
- Section 13. <u>Litigation</u>. Except for purposes of collecting assessments hereunder, or enforcing the obligations of the Owners (other than the Declarant or the Participating Builders) under the Governing Documents, or actions involving a claimed amount of less than \$10,000, no litigation shall be initiated by or on behalf of the Association without the affirmative vote of Class A Members holding at least sixty-seven percent (67%) of the votes in the Association, and the Class B Members, if Class B membership still exists.
- Section 14. Severability. Each provision of a Governing Document is severable from every other provision, and the invalidity of any one of the provisions of a Governing Document by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect. To the extent that any provision of the Governing Documents is determined 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.
- Section 15. Conflict. In the event of conflict among the Governing Documents, this Declaration shall control, then any Supplementary Declarations, then the Articles of Incorporation of the Association, then the Bylaws, and then the Rules; provided, however, that in all cases where the Governing Documents are found to be in conflict with any statute, the statute shall control.

- Section 16. Interpretation. Unless the context otherwise requires, the use of the singular shall include the plural and vice versa; the use of one gender shall include all genders, and the use of the term "including" shall mean "including, without limitation." This Declaration shall be liberally construed in favor of the party seeking to enforce the provisions hereof to effectuate the purpose of protecting and enhancing the value, marketability, and desirability of the Property by providing a common plan for the development thereof. The headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing the substantive provisions hereof.
- Section 17. Taxes and Assessments. It is the intent of this Declaration that insomuch as the interest of each Owner to use and enjoy the Common Areas is an interest in real property appurtenant to each Lot, the value of the interest of each Owner in such Common Areas shall be included in the Annual Assessment for each such Lot, and, as a result, any assessment directly against such Common Areas should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various Lots.
- Section 18. Perpetuities. If any of the covenants, restrictions, or other provisions of this Declaration shall be unlawfully void, or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

ARTICLE XI DISSOLUTION OF THE ASSOCIATION

The Association may be dissolved with the written consent of (i) at least seventy-five percent (75%) of the Class A Members (ii) and the consent of the Class B Members, if any, and the consent of at least sixty-seven percent (67%) of the First Mortgagees. Prior to the dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be offered for dedication to the City of Alexandria, Virginia. In the event that such dedication is refused acceptance upon dissolution, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust, or other organization to be devoted to similar purposes.

IN WITNESS WHEREOF, the Declarant, Potomac Greens Associates LLC, a Virginia limited liability company, has caused this Amended and Restated Declaration to be duly executed as of the 1614 day of September, 2004.

POTOMAC GREENS ASSOCIATES LLC, a Virginia limited liability company

By: HOMES AT POTOMAC GREENS
ASSOCIATES LIMITED PARTNERSHIP, a
Virginia limited partnership, Member

Homes at Potomac Greens, Inc., a Virginia corporation, General Partner

Name: Matthus Ritchaum Title: Afte Irland

And By: POTOMAC LAND, LC, a Virginia limited liability company, Member

By:

By: Semus L. Perry

240925

The Participating Builders hereby join in this Amended and Restated Declaration to evidence their consent to said Amended and Restated Declaration.

HOMES AT POTOMAC GREENS ASSOCIATES LIMITED PARTNERSHIP, a Virginia limited partnership, Member

Bv: F

Homes at Potomac Greens, Inc., a Virginia corporation, General Partner

By: 11 V Name: △

POTOMAC LAND, LC, a Virginia limited liability company, Member

Name: Title:

COMMONWEALTH OF VIRGINIA)	
COUNTY OF ARLINGTON) ss:	
Before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date Scotteners, 10, 2004, personally well known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing and annexed Instrument, who, being by me first duly sworn, did depose and state that he is the Hathiew H. Breaker of Homes at Potomac Greens, Inc., a Virginia corporation, General Partner of Homes at Potomac Greens Associates Limited Partnership, a Virginia limited partnership, Member of Potomac Greens Associates LLC, which entity is a party to the foregoing and annexed Instrument, and that he, being duly authorized so to do, executed said Instrument on behalf of said Homes Potomac Greens Associates Limited Partnership and said Potomac Greens Associates LLC, as its free act and deed for the uses and purposes therein contained.	
WITNESS my hand and official seal this 10 day of September, 2004.	
[Notarial Seal] [Notarial Seal] [Notary Putplic of Jennifer L. Art [Notary Putplic of Jennifer L. Art [Notary Putplic of Jennifer L. Art [Notarial Seal] [Notary Putplic of Jennifer L. Art [Notary	<u>.</u> [MX] : - <u>w</u>]
Before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date for product 10, 2004, personally well known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing and annexed Instrument, who, being by me first duly sworn, did depose and state that he is the	
[Notarial Seal] <u>Claudine M. B. Thomas</u> Notary Public My commission expires: 3-31-07. I was commissioned a motory public as Claudin M. Blave.	-

September, 2004. POTOMAC GREENS HOMEOWNERS ATTEST: ASSOCIATION, INC., a Virginia corporation President COMMONWEALTH OF VIRGINIA) 88: COUNTY OF ARLINGTON) I, Lyw for Up the Worthe undersigned Notary Public, in and for the afcresaid jurisdiction, do hereby certify that Matthew H. Birenbaum, President of Potomac Greens Homeowners Association, Inc., a Virginia corporation, whose name is signed to the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions, personally appeared before me and acknowledged that he executed said instrument bearing date as of the 10 day of September, 2004, as the act and deed of said corporation. GIVEN under my hand and seal this / day of September, 2004. [Notarial Seal]

My commission expires

CONSENT AND JOINDER

The undersigned Beneficiary and Trustee under that certain Credit Line Deed of Trust and Security Agreement with Assignment of Contracts of Sale, Leases, Rents and Profits from Homes At Potomac Greens Associates Limited Partnership, a Virginia limited partnership, to TRSTE, Inc., Trustee, securing Wachovia Bank, National Association, dated as of September 22, 2003 and recorded September 30, 2003 as Instrument No. 030040399, among the Land Records of the City of Alexandria, Virginia, hereby consent to the within Declaration and hereby subordinate the lien of said Deed of Trust to the lien, legal effect and operation of said Declaration.

acknowledged and delivered by Morgan the act and deed of the Beneficiary as of th this instrument to be executed, acknowledge	reficiary has caused this instrument to be executed, at a function of the first above written; and the Trustee has caused ged and delivered by Masquets Summule, the act and deed of the Trustee as of the date first
WITNESS:	BENEFICIARY
[Corporate Seal]	WACHOVIA BANK, a national banking association
Name: Imalo J. Sandens Title: Vice PRESIDENT	By: Margaret J. Dunsmare Name: Margaret J. Dunsmore Title: Vice President
WITNESS:	TRUSTEE
[Corporate Seal]	TRSTE, INC., a Virginia corporation
Name Vonald J. Eauden	By: Margaret & hunomuse Name: Margaret J. Dunsmore

	COMMONWEALTH OF VIRGINIA)
) ss: COUNTY OF FAIRFAX)
	,
: :	On this the 13 day of September, 2004, before me, Kuthler Tlaker to the undersigned officer, personally appeared Manager T. Dunsmer who acknowledged himself/herself to be the Vier President of Wachovia Bank, National Association and that he/she, as such Vier President of Wachovia Bank, National Association, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as such officer. In witness whereof I hereunto set my hand and official seal.
	<u>Kathleen Flaker ty</u> Notary Public
	Notary Public
-1/-	[Notarial Seal]
psilin.	My commission expires: $\frac{9/30/07}{}$
À .	COMMONWEALTH OF VIRGINIA)) ss: COUNTY OF FAIRFAX)
	On this the 13 day of September, 2004, before me, Kath Lew Tle Lary ty, the undersigned officer, personally appeared Margaryt J. Duny. Who acknowledged himself/herself to be the Vier President— Of TRSTE, Inc., a Virginia corporation, and that he/she, as such Vier President— of TRSTE, Inc., being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as such Officer
	In witness whereof I hereunto set my hand and official seal. Vathlein Flaking Notary Public
	My commission expires: $\frac{9/30/07}{}$

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CONSENT AND JOINDER

The undersigned Beneficiary and Trustee under that certain Credit Line Deed of Trust and Security Agreement from Potomac Land, LC, a Virginia limited liability company, to TRSTE, Inc., Trustee, securing Wachovia Bank, National Association, dated as of September 22, 2003 and recorded September 30, 2003 as Instrument No. 230040442 among the Land Records of the City of Alexandria, Virginia, hereby consent to the within Declaration and hereby subordinate the lien of said Deed of Trust to the lien, legal effect and operation of said Declaration.

IN WITNESS WHEREOF, the Beneficiary has caused this instrument to be executed, acknowledged and delivered by Marguity Alummy, its vice Vilading, as the act and deed of the Beneficiary as of the date first above written; and the Trustee has caused this instrument to be executed, acknowledged and delivered by Marguity Dinamity, its Vice Marguity, as the act and deed of the Trustee as of the date first above written.

WITNESS

BENEFICIARY

[Corporate Seal]

WACHOVIA BANK, a national banking association

Name: Male J. Sandars
Title: UICE (PRESIDENT

By: Margar of Allowmare Name: Margaret & Dynsmore Title: Ve of President

WITNESS:

TRUSTEE

[Corporate Seal]

TRSTE, INC., a Virginia corporation

Name I was f audens
Title: Use PROSIENT

By Margaret J. Dunsmore
Name: Wergaret J. Dunsmore
Title Programmer

	COMMONWEALTH OF VIRGINIA)) ss:
	COUNTY OF FAIRFAX)
	On this the 13 day of September, 2004, before me, <u>Nath leen Flaherty</u> , the undersigned officer, personally appeared <u>Marguret J. Duncmare</u> who acknowledded himself/herself to be the <u>Vice President</u> of Wachovia Bank, National Association and that he/she, as such <u>Vice President</u> of Wachovia Bank, National Association, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as such <u>officer</u> .
	In witness whereof I hereunto set my hand and official seal.
	Notary Public Flakerty
Ç4.*	[Notarial Seal]
gr ²	My commission expires: 9/30/07
15	COMMONWEALTH OF VIRGINIA)
	COUNTY OF FAIRFAX) ss:
	On this the 13 day of September, 2004, before me. Kathleen Flaherty, the undersigned officer, personally appeared Margnet J. Director acknowledged himself/herself to be the Vice President of TRSTE, Inc., a Virginia corporation, and that he/she, as such Virginia corporation of TRSTE, Inc., being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as such of ficer
	In witness whereof I hereunto set my hand and official seal.
	[Notarial Seal]
	My commission expires: 9/30/07

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

All those certain parcels of land located in the City of Alexandria, Virginia and described as follows:

Blocks A, B, C, D, E, F, G, H, J, K, L, M, N, O, P, Q, R, S, T, U, V and W, Potomac Greens, as per Deed of Subdivision recorded on September 26, 2003 as Instrument No. 030039864 among the Land Records in the City of Alexandria.

EXHIBIT B

DEVELOPMENT PLAN

[See attached]

"Plat attached" INSTRUMENT #040038501
RECORDED IN THE CLERK'S OFFICE OF
ALEXANDRIA ON
SEPTEMBER 15, 2004 AT 01:57PM
EDWARD SEMONIAN, CLERK

RECORDED BY: JLS







