

**SIGNAL HILL**

**HOMEOWNERS ASSOCIATION DOCUMENTS**

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## INFORMATION BROCHURE

When you purchase a single family home in Arrowood/Signal Hill, you automatically become a member of the ARROWOOD HOMEOWNERS ASSOCIATION (the "Association"), a non-stock, non-profit, Virginia corporation.

The ARROWOOD HOMEOWNERS ASSOCIATION was formed to provide for maintenance, preservation and architectural control of the residence lots and common areas.

The corporation is run like any other non-profit corporation. It has officers, who are elected by its Board of Directors. Its Board of Directors is elected by its members, who are the lot owners.

Because Haddon Group of Virginia, L.P. and Windson Development Corporation as the builder-developer, (the "Developers") have a heavy responsibility in the construction and success of the project, the corporate charter gives the Developers three votes for each lot they own, while each homeowner gets one vote. The purpose of this is to give the Developers control of the corporation until the later stages of development. The homeowner is a Class A voter. The Developers are a Class B voter.

The Developers may develop additional land in the vicinity and have its homeowners and common areas annexed to the Association without the vote of the Class A members, but only by obtaining approval of FHA and/or VA based on a general plan already on file with these agencies.

The Association may merge with a similar non-stock, non-profit corporation.

The Association may be dissolved by a vote of approval by two-thirds (2/3) of each class of membership. The same vote is required to merge with or consolidate with another non-profit Association. If there is a dissolution, the Association may dedicate its common property to Prince William County or to another non-profit Association.

Each lot is equally assessed for the upkeep of the common areas of the Association. The initial monthly assessment is set at \$25.00 per month. This monthly fee includes trash collection twice a week, common grounds maintenance, storm water management pond maintenance, reserve funding for replacement of sidewalks, trails and recreation facilities as needed.

In the future the maximum assessment may be raised automatically by an amount equal to ten percent (10%) of the maximum assessment for the previous year plus the amount by which the ad valorem real estate taxes, casualty and other insurance premiums payable to the Association have increased over amounts payable for the same or similar items for the previous year. Any increases in excess of these amounts can only be implemented after a vote of approval by two-thirds (2/3) of each class of the then members of the Association.

Unpaid assessments against individual lots become liens very much like taxes. The assessment is also a personal debt and legal action can be brought against a lot owner by the Association to collect delinquent assessments.

The common properties of the Association is its open space, Parcel A which does not belong to Prince William County and/or the State of Virginia. The Association has the responsibility of keeping this area in a clean, orderly and good condition.

The Association, through its Architectural Control Committee, will be concerned with maintaining the attractiveness of this community, not only for the enjoyment of its members, but also to protect their investment and maintenance of a high resale value for each unit.

Each homeowner must apply to this committee if he desires to make any changes to the exterior of his home. In addition, if an owner allows the exterior to fall into a state of disrepair, adversely affecting the attractiveness of the neighborhood, the Association may make repairs and add the costs of them to the homeowner's assessment.

The foregoing information is supplied to you in informal fashion to give you a general idea of your rights and responsibilities as a homeowner in this community. At or prior to settlement you will be furnished with a complete copy of the Declaration of Covenants, Conditions, and Restrictions and other applicable documents pertaining to the Association.

INFORMATION SHEET

NAME OF COMMUNITY: Arrwood/Signal Hill

UNIT ADDRESS:

HOMEOWNERS NAME(S):

ALTERNATE ADDRESS: (If other than unit address)

TELEPHONE NUMBERS: Home:

Office:

VEHICLE INFORMATION:

Vehicle #1

Vehicle #2

Make/Style

Make/Style

Year

Year

Color

Color

Registration #

Registration #

State

State

PET INFORMATION:

Pet #1

Pet #2

Name

Name

Breed

Breed

Species

Species

Size: S M L

Size: S M L

County License #

County License #

GENERAL INFORMATION:

(Residents names and ages-Indicate "A" for adult, if 21 or over)

PERSON TO NOTIFY FOR EMERGENCIES:

Name:

Relationship:

Address:

ARROWOOD/SIGNAL HILL  
HOMEOWNERS ASSOCIATION

Proposed Fiscal Year 1992 Operating Budget

Arrowood/Signal Hill is a planned unit development being developed by the Haddon Group and Windson Development. There are 252 single-family detached homes planned for this Project.

Budget Assumptions

The 1992 projections are based on the following assumptions:

1. The total unit count is based on 252 single-family detached homes.
2. Projected settlements for 1992 are as follows:

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Settled	0	0	0	0	3	3	3	3	3	3	3	4
Cumulative	0	0	0	0	3	6	9	12	15	18	21	25

3. Income of the Association will be generated through the assessment fees described below:

General Assessment fee - All homeowners will pay a monthly fee which will pay for the expenses of the Homeowners Association and reserves for replacement of recreational facilities.

4. In addition to the above assessment, a one time assessment of \$40.00 shall be paid by the purchaser of each home in Arrowood/Signal Hill. A one time assessment of \$40.00 per lot is also paid by the declarant.
5. The recreational facilities planned for this project include a multi-use court, tot lot and a picnic shelter.

ARROWOOD/SIGNAL HILL HOMEOWNERS ASSOCIATION  
 TEN YEAR OPERATING BUDGET  
 1992-2001

DESCRIPTION	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
<b>REVENUES</b>										
<b>ASSESSMENTS</b>	25	25	25	25	26	26	27	27	28	28
HOMEOWNER	3,725	20,915	41,590	67,175	78,624	78,624	81,648	81,648	84,672	84,672
DEVELOPER	3,360	3,720	3,000	0	0	0	0	0	0	0
<b>INTEREST</b>	6	68	215	423	728	1,090	1,463	1,848	2,246	2,658
<b>TOTAL REVENUES</b>	<b>7,091</b>	<b>24,703</b>	<b>44,805</b>	<b>67,598</b>	<b>79,352</b>	<b>79,714</b>	<b>83,111</b>	<b>83,496</b>	<b>86,918</b>	<b>87,330</b>
<b>EXPENSES</b>										
<b>ADMINISTRATION</b>										
COUPONS	0	320	580	900	936	936	972	972	1,008	1,008
COPY/PRINT	0	200	350	500	520	520	540	540	560	560
POSTAGE	0	100	200	300	312	312	324	324	336	336
NEWSLETTER	0	0	200	300	312	312	324	324	336	336
MISC.	0	100	200	300	312	312	324	324	336	336
<b>PROFESSIONAL</b>										
MANAG.	2,400	6,400	13,500	20,412	21,228	21,228	22,045	22,045	22,861	22,861
LEGAL	0	200	400	600	624	624	648	648	672	672
AUDIT/TAX	200	300	400	800	832	832	864	864	896	896
<b>OTHER</b>										
UTILITIES	0	300	300	300	312	312	324	324	336	336
MAINT./POND	0	1,000	1,000	1,000	1,040	1,040	1,080	1,080	1,120	1,120
MAINT./OTHER	500	2,000	2,000	2,000	2,080	2,080	2,160	2,160	2,240	2,240
TRASH	3,000	10,000	20,000	33,000	40,000	41,000	42,000	43,000	44,000	45,000
INSURANCE	200	300	300	400	416	416	432	432	448	448
PROP. TAXES	400	400	500	500	520	520	540	540	560	560
TAX INC.	100	200	200	200	208	208	216	216	224	224
<b>RESERVES</b>										
M/U COURT	0	1,000	1,060	1,124	1,191	1,262	1,338	1,419	1,504	1,594
TRAILS	0	2,700	2,862	3,034	3,216	3,409	3,613	3,830	4,060	4,303
TOT LOT	0	700	742	787	834	884	937	993	1,053	1,116
PICN. SHELTER	0	500	530	562	596	631	669	709	752	797
<b>TOTAL EXPENSES</b>	<b>6,800</b>	<b>26,720</b>	<b>45,324</b>	<b>67,018</b>	<b>75,488</b>	<b>76,839</b>	<b>79,350</b>	<b>80,744</b>	<b>83,301</b>	<b>84,743</b>
<b>SURPLUS/(DEFICIT)</b>	<b>290.70</b>	<b>(2,017.19)</b>	<b>(519.22)</b>	<b>580.26</b>	<b>3,863.88</b>	<b>1,875.61</b>	<b>3,760.86</b>	<b>2,752.69</b>	<b>3,617.27</b>	<b>2,586.64</b>



PREPARED WITHOUT BENEFIT OF TITLE EXAMINATION  
AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made as of the 13th day of February, 1992, by THE HADDON GROUP OF VIRGINIA, L.P., a Delaware limited partnership ("Haddon"), and WINDSON DEVELOPMENT CORPORATION, a New Jersey corporation ("Windson") (collectively hereinafter referred to as "Declarant" or "Original Declarant"), and ARROWOOD HOMEOWNERS' ASSOCIATION, a Virginia non-stock corporation (hereinafter referred to as the "Association").

W I T N E S S E T H :

WHEREAS, by that certain Declaration of Covenants, Conditions and Restrictions dated July 30, 1991 and recorded in Deed Book 1829 at Page 1331 among the land records of Prince William County, Virginia, Declarant did subject the Property (as defined below) to the regime of such Declaration, the Property being known of record as ARROWOOD SECTION ONE; and

WHEREAS, as of the date hereof there are no Class A or Class B members in the Association; and

WHEREAS, Declarant and the Association are the sole owners of the Property and Declarant is the only member of the Association;

NOW, THEREFORE, Declarant and the Association, being the sole owners of all of the Lots and Parcels constituting the Property, and Declarant, being the sole member of the Association, and pursuant to the Declaration, do hereby AMEND and RESTATE the Declaration IN ITS ENTIRETY, so that the Declaration governing the Property shall be as follows:

WHEREAS, Declarant is the owner of certain property containing approximately 14.5121 acres located in Brentsville Magisterial District, Prince William County, Virginia, more particularly described as Lots 1 through 52, inclusive, Arrowood Section One, as the same are duly dedicated, platted and recorded pursuant to that certain Deed of Dedication, Subdivision, Easement and Release recorded in Deed Book 1829 at Page 1308 among the land records of Prince William County, Virginia, hereinafter sometimes referred to as the "Lots"; and

WHEREAS, the Association is the owner of certain property containing approximately ~~2.8884~~ acres located in Brentsville Magisterial District, Prince William County, Virginia, more particularly described as Parcel A, Arrowood Section One, as the same is duly dedicated, platted and recorded pursuant to that certain Deed of Dedication, Subdivision, Easement and

WITNESSETH, VIRGINIA 2/13/92  
Attn: B. T. Haddon (HADDON/12212)

Release recorded in Deed Book 1829 at Page 1308 among the land records of Prince William County, Virginia, hereinafter referred to as "Parcel A"; and

WHEREAS, the Lots and Parcel A are hereinafter sometimes referred to collectively as the "Property"; and

WHEREAS, Declarant desires to create on said Property a residential community with permanent open spaces and other common facilities for the benefit of said community and to provide for the preservation of the values and amenities of said community, and such other areas as may be subjected to this Declaration by Declarant, and for the maintenance of said open spaces and other facilities and, to this end, desires to subject the Property as hereinabove described to the covenants, restrictions, easements, conditions, charges and liens hereinafter set forth, it being intended that the easements, covenants, restrictions and conditions shall run with said Property and shall be binding on all persons and entities having or acquiring any right, title or interest in said Property or any part thereof, and shall inure to the benefit of each other thereof; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and amenities of said community to create an association which shall be delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the Covenants and Restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has caused to be incorporated under the laws of the Commonwealth of Virginia, as a non-stock, not-for-profit corporation, Arrowood Homeowners' Association for the purposes of exercising the functions aforesaid, and the By-Laws of the Association in effect as of the date hereof are attached hereto as Exhibit A and incorporated by reference herein;

NOW, THEREFORE, Declarant and the Association hereby declare that the real property known as Lots 1 through 52, inclusive, and Parcel A, Arrowood Section One, as the same are duly dedicated, platted and recorded in Deed Book 1829 at Page 1308 among the land records of Prince William County, Virginia, shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, conditions, charges and liens (hereinafter referred to as "Covenants and Restrictions") hereinafter set forth, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each Owner thereof.

ARTICLE I  
DEFINITIONS

Section 1. "Affected Lots" shall mean and refer to the Lots encumbered and/or serviced by Pipestem Driveways.

Section 2. "Association" shall mean and refer to Arrowood Homeowners' Association, its successors and assigns.

Section 3. "Builder" shall mean any person or entity which acquires a Parcel for the purpose of improving such Parcel and reselling Lots to Owners, and shall include contract sellers, however excluding those who hold any interest merely as security for the performance of an obligation and excluding Declarant.

Section 4. "Common Area" shall mean all real property with appurtenances thereto now or hereafter owned or leased by the Association or otherwise available to the Association for the common use, benefit and enjoyment of the Members of the Association.

Section 5. "Original Declarant" shall mean and refer to Haddon Group of Virginia, L.P., a Delaware limited partnership, and Windson Development Corporation, a New Jersey corporation, developers of the Property. The Original Declarant shall cease to exist and shall be relieved of all rights, liabilities or responsibilities under this Declaration when it is no longer an Owner of any Lot or Parcel within the Property or earlier as otherwise specified in this Declaration.

Section 6. "Successor Declarant" shall mean and refer to the Original Declarant's successor(s) or assignee(s) pursuant to Article X, Section 4 herein who have acquired one or more Parcel(s) or Lot(s) for the purpose of development, except for Class A Builder Members of the Association. If the Successor Declarant consists of more than one person or entity, the rights and obligations of the Successor Declarant(s) shall be several and shall be based upon and proportioned in accordance with the number of votes to which each Successor Declarant is entitled pursuant to Article III, Section 2 herein.

Section 7. "Declarant" shall herein collectively mean and refer to the Original Declarant and/or any Successor Declarant.

Section 8. "Development Plan" shall mean the general plan of the Property and the potential additions thereto as described on plans submitted to and approved by the Federal Housing Administration ("FHA") and/or the Veterans Administration ("VA") prior to the date of recordation hereof.

Section 9. "Dwelling" shall mean and refer to any building or portion of a building situated upon the Property and designed and intended for use and occupancy as a residence.

Section 10. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Property, with the exception of the Common Area and areas dedicated as public streets.

Section 11. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 12. "Mortgagee", as used herein, means the holder of any recorded Mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage", as used herein, shall include deed of trust. "First Mortgage", as used herein, shall mean a Mortgage with priority over other Mortgages. As used in this Declaration, the term "Mortgagee" shall mean any Mortgagee and shall not be limited to Institutional Mortgagees. As used in this Declaration, the term "Institutional Mortgagee" or "Institutional Holder" shall include Mortgagees which are banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States government or of any state or municipal government. As used in this Declaration, the terms "Holder" and "Mortgagee" shall include the parties secured by any deed of trust or any beneficiary thereof.

Section 13. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Parcel and/or Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 14. "Parcel" shall mean a portion of the Property or additions thereto within which it is contemplated that one or more Lots and Common Areas, if any, are to be created by one or more recorded subdivision plats.

Section 15. "Pipestem Driveway" shall mean the areas shown within the Ingress-Egress Easements on any plat of subdivision for Arrowood recorded among the land records of Prince William County, Virginia.

Section 16. "Property" shall mean and refer to that certain real property containing 17.4005 acres as hereinabove defined, and such additions thereto as may hereafter be

brought within the jurisdiction of the Association, in accordance with the terms of this Declaration.

ARTICLE II  
SUBJECT PROPERTY

Section 1. Property Subject to Declaration; Additions.

The Property which is and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in Prince William County, Commonwealth of Virginia, and is more particularly described as Lots 1 through 52, inclusive, and Parcel A, Arrowood Section One, as the same are duly dedicated, platted and recorded in Deed Book 1829 at Page 1308 among the land records of Prince William County, Virginia. Adjacent or near-by real property may be annexed to the above-described Property without the consent of the Class A Builder and Non-Builder Members of the Association, if any, within five (5) years from the recording of the last subdivision plat for the Property or any additions thereto as shown in the Development Plan. Any annexations made pursuant to this Article, or otherwise, shall be made by recording a deed of dedication among the land records of Prince William County, Virginia, which deed of dedication shall extend the scheme of this Declaration to such annexed real property. Such annexations need not be made by Declarant; provided, however, that any such annexation accomplished by persons other than Declarant shall have the consent of Declarant, which consent may be withheld for any reason whatsoever unless the property proposed for annexation is within the Development Plan Property as described in Section 2 below.

Section 2. The Development Plan.

Under Declarant's current Development Plan, it is contemplated that the Property and additions intended as described in the Development Plan heretofore approved by the VA ("Development Plan Property") will be subdivided into Parcels at various times throughout the overall development of the community. These Parcels will then be subdivided into more than one Lot on which will be constructed single-family detached homes. As of the date of this Declaration, the Development Plan in effect with the VA and the appropriate authorities of Prince William County, Virginia contemplates the eventual subdivision of the Development Plan Property into 252 Lots.

Section 3. Reservation of Declarant Rights.

Declarant hereby also reserves the right without the consent of any other Builder, Owner or the Association:

- (a) to subdivide the Development Plan Property into one or more Parcels, Lots and Common Area, and convey such Parcels and Lots to one or more Builders or Owners and such Common Area to the Association; and

DRAFT COPY

(b) to dedicate any and all roads for public street purposes and to create, grant and convey any and all easements, rights of way and licenses over and across the Development Plan Property as the same are required or necessary to be created, granted and conveyed under the Development Plan and/or as deemed appropriate for the overall development of the community by Declarant; and

(c) to amend the Development Plan, any site plan or subdivision plat for the Development Plan Property or any portion thereof after first obtaining the prior approval of the appropriate authorities of Prince William County, Virginia and any applicable federal agencies, as applicable; and

(d) to modify or alter the size, number and location of the Common Areas and Lots, as well as the improvements thereon, as it deems necessary or desirable in conjunction with development of the Property, after first obtaining the prior approval of the appropriate authorities of Prince William County, Virginia and any applicable federal agencies, including but not limited to the FHA and VA. Without limiting the generality of the foregoing, the Declarant reserves the right to resubdivide all or any portions of the Property, to convey additional Common Areas, to construct improvements on the Common Areas, to reacquire Common Areas and to take any other action with respect to the Common Areas and the Lots.

Section 4. Reservation of Builder Rights. Each Builder shall have the right, without the consent of any other Builder or Owner, however with the consent of Declarant, which may be withheld for any reason:

(a) to subdivide the Parcel owned by such Builder into more than one Lot and Common Area, and convey such Lots to Owners and such Common Area to the Association; and

(b) to dedicate any and all roads for public street purposes and to create, grant and convey any and all easements, rights of way and licenses over and across the Parcel owned by the Builder as the same are required to be created, granted and conveyed under the site plan for the Parcel as approved by the appropriate authorities of Prince William County, Virginia; and

(c) to amend the Development Plan, any site plan or subdivision plat applicable solely to the Parcel owned by the Builder after first obtaining the prior approval of the appropriate authorities of Prince William County, Virginia and any applicable federal agencies, including but not limited to the FHA and VA.

Section 5. FHA or VA Rights on Annexation. So long as any Lot is encumbered by a Mortgage which is guaranteed by the VA or insured by the FHA, no annexation shall be made of

property outside of the Development Plan Property pursuant to this Article, or otherwise, except following a determination by the VA and/or FHA that the annexation conforms to a general plan for the development of the community previously approved by the VA and/or FHA or, if no such general plan was approved by the VA and/or FHA, except following the prior written approval of the VA and/or FHA. Such general plan for development, however, shall not bind Declarant to make any of the additions to the Property which are shown on such plan or to improve any portion of such lands in accordance with such plan unless and until a deed of dedication and subdivision is filed for such Property which subjects it to this Declaration.

ARTICLE III  
MEMBERSHIP

Section 1. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot or Parcel which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more or less than one membership for each Lot owned. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2. The Association shall have the following classes of voting membership:

Class A. Class A Members shall be all those Owners as defined in Section 1 with the exception of the Class B Members. Each Class A Member who is not also a Builder ("Class A Non-Builder Member") shall be entitled to one (1) vote for each Lot owned; each Class A Member who is also a Builder ("Class A Builder Member") shall be entitled to one (1) vote for each Lot contained (by reference to a recorded subdivision plat) or to be contained (by reference to the final site plan) within any Parcel owned by the Builder at the time of the vote. When more than one (1) Class A Non-Builder Member holds such interest in any Lot, all such persons shall be members; the vote for such Lot may be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to three (3) votes for each Lot, as described in the above paragraph, in which it holds the interest required for membership; provided, however, the Class B membership and the Class A Builder membership shall cease and be converted to Class A Non-Builder membership on

the happening of either of the following events, whichever occurs first:

(1) When the total votes outstanding in the Class A Non-Builder membership equals the total votes outstanding in the Class A Builder membership and the Class B membership, if any, or

(2) December 31, 1999; provided, further, that

In the event of annexation of additional properties, Class B and Class A Builder memberships shall continue or be revived with respect to those Lots contained in the annexed property; provided, further, that these Class B and Class A Builder memberships shall cease and be converted to Class A Non-Builder membership on the happening of either of the following events, whichever occurs first:

(1) When the total votes outstanding in the Class A Non-Builder membership in the annexed property equals the total votes outstanding in the Class A Builder and Class B memberships in such annexed property, or

(2) Five (5) years from the date of recordation of the deed of dedication for such annexed property.

Only Members of the Association shall have the right to vote for the election of Directors at the annual meeting of the Association called for that purpose.

ARTICLE IV  
PROPERTY RIGHTS

Section 1. Member's Right of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the fee title to every Lot, subject to the following:

(a) the right of the Association, in accordance with its Articles of Incorporation and By-Laws, and with the consent of two-thirds (2/3) of the votes of each class of the then Members of the Association, voting separately, to borrow money for the purpose of improving the Common Areas 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

(b) 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; and



(c) the right of the Association to adopt reasonable rules respecting use of the Common Areas to reasonably limit the number of guests of Members to the use of any facilities which are developed upon the Property; and

(d) the right of the Association to suspend the voting rights and the rights to use of the recreational facilities for any period during which any assessment remains unpaid and for any period not to exceed sixty (60) days for any infraction of any of the published rules and regulations of the Association; and

(e) the right of the Association to dedicate or transfer all or any part of the Common Areas to any public or municipal agency, authority or utility for purposes consistent with the purpose of this Declaration and subject to such conditions as may be agreed to by the Members, and further subject to the then existing laws and applicable ordinances; provided, however, that no such dedication, transfer or determination as to the purposes or as to the conditions thereof shall be effective unless two-thirds (2/3) of the votes of each class of the present and voting Members of the Association consent to such dedication, transfer, purpose and conditions, at any special meeting of the Members duly called for such purpose; and

(f) the right of the Association to grant licenses, rights of way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, to any municipal agency, public utility, Declarant, a Builder or any other person; provided, however, that no such licenses, rights of way or easements shall be unreasonably and permanently inconsistent with the rights of the Members to the use and enjoyment of the Common Areas; and

(g) the right of the Association to enter into agreements whereby the Association acquires leaseholds, membership or other possessory or use interests in real or personal property for the purpose of promoting the enjoyment, recreation or welfare of the Members of the Association and to declare expenses incurred in connection therewith to be common expenses of the Association; and

(h) the right of the Association, at any time or times, consistent with the then existing zoning ordinances of Prince William County, and pursuant to a recorded subdivision or resubdivision plat, to transfer part of the Common Area to Declarant or a Builder for the purpose of adjusting Parcel and/or Lot lines or otherwise in connection with the orderly resubdivision, subdivision and/or development of the Property, provided that: (1) such transfer shall not reduce the portion of the Property, and subdivided additions thereto, designated as "open space" below the minimum level of "open space"

required by Prince William County in the process of subdividing or resubdividing the Property at the time of the transfer; (2) if additional open space is required by ordinance, Declarant or the Builder, as applicable, shall transfer to the Association as "open space" such portion of the Property or an addition thereto as is necessary to maintain the total acreage designated as "open space" at the required level; (3) two-thirds (2/3) of the votes of each class of the Members approve such transfer; and (4) if there are then outstanding Class A Builder or Class B Members, such transfer shall have been approved by the FHA or VA.

Section 2. Delegation of Right of Use. Any Member of the Association may delegate his rights to the use and enjoyment of the Common Areas to the members of his family who reside permanently with him and to his tenants, contract purchasers and guests, all subject to such reasonable rules and regulations as the Association may adopt and uniformly apply and enforce.

#### ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Annual Maintenance Assessments. Declarant hereby covenants and each person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who becomes a fee Owner of a Lot within the Property, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay the Association annual maintenance assessments as hereinafter defined, in advance, in monthly installments equal to one-twelfth (1/12) of the Member's proportionate share of the sum required by the Association, as estimated by its Board of Directors, to meet its annual expenses (herein elsewhere sometimes referred to as "Annual Maintenance Assessments"), including but in no way limited to the following:

(a) the cost of all operating expenses of the Common Areas and the services furnished to or in connection with the Common Areas and community facilities, including charges by the Association for any services furnished by it; and

(b) the cost of necessary management and administration of the Common Areas, including fees paid to any Management Agent as defined in Article VII; and

(c) the amount of all taxes and assessments levied against the Common Areas; and

(d) the cost of hazard and liability insurance on the Common Areas and the cost of such other insurance as the Association may effect with respect to the Common Areas; and

(e) the cost of utilities and other services which may be provided by the Association, whether for the Common Areas or for the Lots, or both, including street lights, if any, and snow removal on private streets; and

(f) the cost of maintaining, replacing, repairing, preserving and landscaping the Common Areas, including, without limitation, maintenance of any stormwater detention ponds or the like located upon the Common Areas and the cost of the maintenance of all private streets, pathways and any retaining walls upon the Common Area, together with such equipment as the Board of Directors shall determine to be necessary and proper in connection therewith; and

(g) the cost of private trash removal for all Lots and Common Areas; and

(h) the cost of funding all reserves established by the Association, including a general operating reserve and a reserve for replacements; and

(i) the cost of any leasehold, membership or other possessory or use interests in real or personal property arranged by the Association for the purpose of promoting the enjoyment, recreation or welfare of the Members of the Association; and

(j) such other costs and expenses as may be determined by the Board of Directors in order to promote the recreation, health and welfare of the residents in the Property and the improvements and maintenance of the Common Area.

The Board of Directors shall determine the amount of the Annual Maintenance Assessment annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board of Directors, installments of Annual Maintenance Assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis hereinabove provided. Any Member may prepay one or more installments on any Annual Maintenance Assessment levied by the Association, without premium or penalty.

The Board of Directors shall prepare, or cause the preparation of, an annual operating budget for the Association which shall provide, without limitation, for the management, operation and maintenance of the Common Areas. The Board of Directors of the Association shall make reasonable efforts to fix the amount of the Annual Maintenance Assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and the Annual Maintenance 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. Written notice of the

Annual Maintenance Assessments shall thereupon be sent to the Members at least thirty (30) days before the due date of the first assessment for such period. The omission by the Board of Directors, before the expiration of any assessment period, to fix the amount of the Annual Maintenance Assessment hereunder for that or the next period 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 the Annual Maintenance Assessment, or any installment thereof, for that or any subsequent assessment period, but the Annual Maintenance Assessment fixed for the preceding period shall remain in effect until a new Annual Maintenance Assessment is fixed. No Member may exempt himself from liability for the Annual Maintenance Assessments by abandonment of any Lot belonging to him or by the abandonment of his right to the use and enjoyment of the Common Areas.

Except as may be specifically provided for herein, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the Dwellings or their appurtenances and the responsibility and duties of the Association for maintenance and repairs shall be limited to the Common Areas. The Owner of any Lot shall, at his own expense, maintain his Lot and Dwelling, and any and all appurtenances thereto, in good order, condition and repair and in a clean, sightly and sanitary condition at all times. In the event any Owner shall fail to maintain his Lot, Dwelling and/or appurtenances thereto, as aforesaid, the Association shall have the right, after first having given thirty (30) days' notice of its intent to exercise this right to the Owner, to make the necessary repairs and/or maintenance to the Lot, Dwelling and/or appurtenances thereto, and to charge the cost of such repairs to the Owner, which amount shall be due and payable to the Association as an additional assessment hereunder.

Section 2. Special Maintenance Assessments.

(a) At settlement on the sale of any Lot with a house thereon for which a certificate of occupancy has been issued, the purchaser of such Lot shall pay to the Association a one-time assessment in the amount of Fifty Dollars (\$50.00) ("One-Time Owners Assessment"). All assessments received by the Association pursuant to this Article V, Section 2(a) shall be used to establish a working capital fund for the Association.

(b) In addition to the Annual Maintenance Assessments and the One-Time Owners Assessment authorized by this Article, the Association may levy in any Assessment year a special maintenance assessment or assessments ("Special Maintenance Assessment"), applicable to that year only, for the purpose of defraying, in whole or part, the cost of any construction or reconstruction, inordinate repair or replacement of a described capital improvement located upon or forming a part

of the Common Areas, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate; provided that any such Special Maintenance Assessment shall have the assent of the votes of two-thirds (2/3) of each class of the then Members of the Association. A meeting of the Members shall be duly called for this purpose, after no less than fifteen (15) nor more than sixty (60) days' notice of such meeting to all Members.

Section 3. Reserves for Replacements. The Association shall establish and maintain a reserve fund for replacements of the Common Areas by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by any state or by any agency of the United States of America, or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve for replacements of the Common Areas may be expended only for the purpose of effecting the major repair or replacement of the Common Areas, equipment replacement, and for start-up expenses and operating contingencies of a nonrecurring nature relating to the Common Areas. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of any Member in any such reserves shall be considered an appurtenance of the Member's Lot and shall not be separately withdrawn, assigned, transferred or otherwise separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

Section 4. Annual Maintenance Assessments. The initial maximum Annual Maintenance Assessment for each of the Lots to which Class A Non-Builder membership is appurtenant shall not exceed the sum of Five Hundred Dollars (\$500.00) per Lot per annum. The Annual Maintenance Assessment shall be levied at a uniform rate for each Lot to which Class A Non-Builder membership is appurtenant.

At the earlier of the conveyance of the first Lot (a) to a Class A Builder or (b) to any other person or entity (other than a person or entity related to Declarant), Declarant shall pay to the Association a one-time assessment equal to the product of Fifty Dollars (\$50.00) multiplied by the number of Lots then subject to the Declaration. Declarant shall have no obligation to pay any Annual Maintenance Assessment on any Lot which it owns. At the time Declarant conveys a Lot or Lots to a Builder, Builder shall pay to the Association a one-time assessment equal to Fifty Dollars (\$50.00) for each Lot thereby conveyed by Declarant to Builder. Said Class A

Builder Member and Class B Member one-time assessment shall also apply to any additional property, upon any subsequent annexation pursuant to Article II, Section 1, with respect to the Common Area contained in the property so annexed. No Class A Builder shall have any obligation to pay any Annual Maintenance Assessment on any Lot which the Class A Builder owns. In consideration of the Class B Member's and the Class A Builder Member's exemptions from the full Annual Maintenance Assessments, the Class A Builder Member and the Class B Member hereby covenant and agree to fund all budget deficits, if any, with respect to the Association's obligations to maintain the Common Area to the extent such maintenance costs and/or budget deficits are not covered by the Annual Maintenance Assessments (including Declarant's one-time assessment referenced above) collected, until such time as there are no longer any Class B Members and Class A Builder Members. If there is more than one Class A Builder Member or Class B Member, each Class A Builder Member's and Class B Member's liability for assessments described in the prior sentence shall be limited to that percentage of the total required assessments derived by dividing the total number of Lots acquired by the Class A Builder Member or the Class B Member, as the case may be, through the applicable year-end by the total number of Lots acquired by all Class A Builder Members and Class B Members through the applicable year-end. Upon the occupancy of any house located on a Lot subjected to Class A Builder Member or Class B Member membership, such Lot shall be subjected to full assessment obligations.

Section 5. Increase in Maximum Annual Maintenance Assessment.

(a) (1) From and after January 1 of the year following the commencement of assessments, the maximum Annual Maintenance Assessment, set forth above or in amendments to the Declaration, shall increase the greater of:

(i) five percent (5%); or

(ii) the increase in the U.S. Department of Labor Consumer Price Index - All Urban Consumers (1967=100) during the last twelve (12) month period for which figures are available at the date when the Board adopts the budget; and the proportionate amount by which any real estate taxes and casualty and other insurance premiums payable by the Association have increased over amounts payable the previous fiscal year. Wherever in the Association Documents the U.S. Department of Labor Consumer Price Index - All Urban Consumers (1967=100) is used, if such index ceases to incorporate a significant number of items now incorporated therein, ceases to reflect the increases in expenses of the Association, or if a substantial change is made in the method of establishing such index, then such other reliable governmental or other nonpartisan index designated by the Board of Directors shall be used.

The Board of Directors may determine not to increase the maximum assessment set forth in this Declaration and amendments hereto to the full extent of the automatic increase provided by this subsection. In such case, the Board of Directors may determine to increase the maximum assessment by any lesser amount.

2. The Board of Directors may determine to set the actual assessment at an amount less than the applicable maximum for any fiscal year.

(b) From and after January 1 of the year following the commencement of annual assessments, the maximum Annual Maintenance Assessments may be increased above that established by the preceding paragraph by a vote of the Members, as hereinafter provided, for the next succeeding year, and, thereafter, at the end of such year, for each succeeding year. Any change made pursuant to this paragraph shall have the assent of two-thirds (2/3) of the votes of each class of the then Members of the Association. A meeting of the Members shall be duly called for this purpose.

Section 6. Non-Payment of Assessments - Memorandum of Lien for Assessments.

Any assessment levied pursuant to this Declaration, and any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon and the cost of collection thereof, as hereinafter provided, become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied. The due date for each assessment shall be the first day of each month (or the first day of each assessment period, if assessments are paid on other than a monthly basis). Upon notice of such delinquency, the Association may declare the entire balance of such Annual or Special Maintenance Assessment due and payable in full and may file a Memorandum of Lien or similar instrument among the land records or other appropriate office, recording the Association's continuing contractual lien against the Owner's Lot for Assessments.

The lien evidenced hereby shall bind the Lot or Lots herein described in the hands of the then Owner thereof, his heirs, devisees and personal representatives, and the personal obligation of the Member to pay such assessment shall, in addition, remain his personal obligation for the statutory period and a suit to recover a money judgment for nonpayment of any assessment levied pursuant to this Declaration, or any installment thereof, may be maintained without establishing, perfecting, foreclosing or waiving the lien provided for herein to secure the same.

No suit or other proceeding may be brought to enforce or foreclose the lien except after ten (10) days' written notice

to the Member, given by Registered or Certified Mail - Return Receipt Requested, postage prepaid, to the address of the Member shown on the roster of Members maintained by the Association.

Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid within thirty (30) days after the due date shall accrue a late charge from the due date in the amount of six percent (6%) of such delinquent assessment, or such other amount as may be established by the Board of Directors from time to time; and the Association may bring an action at law against the Member personally obligated to pay the same, or foreclose on the lien against the Lot or Lots then belonging to said Member in the manner now or hereafter provided by law or, if no separate provision is made by law, then in a manner now or hereafter provided by law for the foreclosure of mortgages, deeds of trust or other liens on real property in the Commonwealth of Virginia containing a power of sale or consent to a decree, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs and reasonable attorneys' fees of not less than twenty percent (20%) of the sum claimed shall be added to the amount of each assessment. Suit for any deficiency may be maintained in the same proceeding.

The Association shall notify the holder of the First Mortgage on any Lot for which any assessment levied pursuant to this Declaration becomes delinquent for a period in excess of thirty (30) days and in any other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days, but any failure to give such notice shall not affect the validity of the lien for any assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities established in this Article.

Section 7. Assessment Certificates. The Association shall, upon written demand at any time, by Registered or Certified Mail, 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 and in form sufficient for recordation signed by an officer of the Association, setting forth the status of said assessment, i.e., whether the same is paid or unpaid as to a particular Lot. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. Failure of the Association to furnish or make available such a certificate within ten (10) business days following the receipt of such a written request shall extinguish the right of the Association to claim the lien for such assessment provided by law and provided for in this Declaration, and a charge not to exceed Thirty Dollars (\$30.00) may be levied in advance by the Association for each certificate so delivered.



Section 8. Subordination of the Lien to Mortgages or Deeds of Trust. The lien of the assessment provided herein shall be subordinate to the lien of any first mortgage or Deed of Trust securing an obligation made in good faith and for value received recorded prior to the date of recording of the Notice of Lien by the Association, and shall be subordinate to the lien of any such first mortgage or Deed of Trust recorded after receipt of a written statement from the Board of Directors reflecting the payment of assessment as to said Lot which is encumbered by such mortgage or Deed of Trust. Sale or transfer of any Lot shall not extinguish the assessment lien. However, the sale or transfer of any Lot pursuant to a foreclosure of any first mortgage or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Exempt Property. The following properties subject to this Declaration shall be exempt from the assessments created herein: (a) all of the Property dedicated to and accepted by a local public authority; (b) the Common Area; (c) all of the Property owned by charitable or other organizations exempt from taxation by the laws of the Commonwealth of Virginia; and (d) all properties which upon annexation are describable by reference to (a), (b) or (c). However, no land or improvements upon which a Dwelling is located shall be exempt from said assessments.

Section 10. Date of Commencement of Annual Assessments; Due Dates. Subject to Section 4 of this Article, the Annual Maintenance Assessments provided for herein shall commence on the Lots on the first day of the month following (a) the issuance by appropriate governmental authorities of a residential use and occupancy permit on such Lot and (b) the conveyance of such Lot to a Class A Non-Builder Member. The first Annual Maintenance Assessment shall be adjusted accordingly to the number of months remaining in the calendar year.

Section 11. Dissolution of Association. In the event of dissolution of the Association, in accordance with the terms of its Articles of Incorporation, each Lot shall continue to be subject to the Annual Maintenance Assessment specified in Section 1 of this Article, and each Owner shall continue to be personally obligated for such Annual Maintenance Assessment, to the extent that such Annual Maintenance Assessments are required to enable the grantee of the Property owned by the Association to properly maintain it. In no event, however, shall the Annual Maintenance Assessment exceed the amount that would otherwise be payable to the Association in accordance with the provisions of Section 4 and Section 5 of this Article.

ARTICLE VI  
ARCHITECTURAL CONTROL;  
PROTECTIVE COVENANTS AND RESTRICTIONS

Section 1. Architectural Control Committee ("Committee"). Except for construction or development by, for or under contract with Declarant or any Builder, and except for any improvements to any Lot or to the Common Areas accomplished by Declarant or a Builder concurrently with said construction and development, and except for purposes of proper maintenance and repair, no building, fence, wall 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 any change of color) or other alteration thereupon be made until the complete plans and specifications showing the location, nature, shape, height, material, color, type of construction and any other proposed form of change (including, without limitation, any other information specified by the Committee) 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 by an Architectural Control Committee designated by the Board of Directors.

Section 2. Architectural Control Committee - Operation. The Board of Directors shall appoint a Committee. The Committee shall be composed of three (3) or more natural persons designated from time to time by the Board of Directors. The affirmative vote of a majority of the members of the Committee 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, approval or the like pursuant to the authority contained in this Article.

Section 3. Approvals, Etc. Upon approval by the Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of the Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within thirty (30) days after such plans and specifications (and all other materials and information required by the Committee) have been submitted to it in writing, then approval will not be required and the requirements of this Article will be deemed to have been satisfied.

Section 4. Limitations. Construction or alterations in accordance with plans and specifications approved by the Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are finally approved by the Committee (whether by affirmative action or by forbearance from action, as provided in Section 3 of this Article) and shall be substantially completed within twelve (12) months following the date of commencement, or within such other longer or shorter period as the Committee shall specify in its approval. In the event construction is not commenced or substantially completed within the applicable period aforesaid, then approval of the plans and specifications approved by the Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviation from the plans and specifications approved by the Committee without the prior consent in writing of the Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Committee 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, or revisions thereto are submitted for substantially the same use.

Section 5. Rules and Regulations, Etc. The Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish and record such statements of policy, standards and guidelines and establish such criteria relative to architectural styles or details, fences, colors, setbacks, materials or other matters relative to architectural control and the protection of the environment, as it may consider necessary or appropriate. Such policy, standards, guidelines and criteria regarding architectural control matters shall be submitted to the Board for approval. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration.

Section 6. Prohibited Uses and Nuisances. Except for the activities of Declarant and any Builder during the construction or development of the community, or the Association during the construction or reconstruction of improvements upon the Common Areas or except with the prior written approval of the Committee, or as may be necessary temporarily in connection with reasonable and necessary repairs or maintenance to any Dwelling or upon the Common Areas:

(a) no noxious or offensive trade or activity shall be carried on upon any Lot or within any Dwelling, nor shall anything be done therein or thereon which may be or become an

annoyance or nuisance to the neighborhood or other Members. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Dwelling or upon the exterior of any other improvements;

(b) the maintenance, keeping, boarding or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited on any Lot or within any Dwelling, except that this shall not prohibit the keeping of dogs, cats or caged birds as domestic pets, provided they are not kept, bred or maintained for commercial purposes, and provided further that such domestic pets are not a source of annoyance or nuisance to the neighborhood or other Members. The Board of Directors or, upon resolution of the Board of Directors, the Committee shall have the authority, after a hearing, to determine whether a particular pet is a nuisance or a source of annoyance to the other Members, and such determination shall be conclusive. Pets shall be attended at all times and shall be kept, registered, licensed and inoculated as may from time to time be required by state and local law, and officials of any state or local agency are hereby authorized to come onto the Property and any Lot for the purpose of enforcing such regulations. 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 right to adopt such additional rules and regulations regarding pets as it may from time to time consider necessary or appropriate;

(c) no burning of any trash and no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials or trash of any kind shall be permitted on any Lot;

(d) except as elsewhere provided in this Declaration, no inoperable or junk vehicle (vehicles which cannot be lawfully operated on the public roads of Virginia), trailer, camper, camp truck, house trailer, boat or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any Dwelling and except for such equipment and machinery as the Association may require in connection with the maintenance and operation of the Common Areas) shall be kept upon the Property, nor (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. The Association may, in the discretion of the Board of Directors, provide and maintain a suitable area designated for the parking of such vehicles or the like;

(e) trash and garbage containers shall not be permitted to remain in public view except on days of trash collection.

No incinerator shall be kept or maintained upon any Lot. Garbage, trash and other refuse shall be placed in covered containers, or plastic bags as designated by the Board of Directors. The Board reserves the right to remove such containers left in violation of this provision;

(f) no Lot shall be divided or subdivided and no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose. No portion of any Dwelling (other than the entire Dwelling) shall be leased. The provisions of this subsection shall not apply to Declarant or the Association, and, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right of way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, Declarant or any other person for any purpose, or the adjustment of boundary lines or resubdivision as set forth in Article IV, Section 1(h), above;

(g) except for hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, television cable or similar transmission line shall be installed or maintained on any Lot above the surface of the ground;

(h) no Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth;

(i) no sound hardwood trees measuring in excess of six inches (6") in diameter two feet (2') above the ground shall be removed from any Lot without written approval of the Association acting through the Committee or a duly appointed subcommittee. The Committee may from time to time adopt and promulgate such additional rules and regulations regarding the preservation of trees and other natural resources and wildlife as it may consider appropriate;

(j) no structure of a temporary character, and no trailer, tent, barn, pen, kennel, run, stable, storage shed, or like structure, or outdoor clothes line shall be erected, used or maintained on any Lot at any time;

(k) except for entrance signs, directional signs, signs for traffic control or safety, community "theme areas" and such promotional sign or signs as may be maintained by Declarant or the Association, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any Lot or Dwelling, provided, however, that one temporary real estate sign not exceeding five (5) square feet in area may be erected upon any Lot or attached to any Dwelling placed upon the market for sale or rent. Any such temporary real estate sign shall be removed promptly following the sale or rental of such Dwelling. The provisions and

limitations of this subsection shall not apply to any Institutional First Mortgagee of any Lot who comes into possession of the Lot by reason of any remedies provided by law or in such Mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, assignment or deed in lieu of foreclosure;

(l) no structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction or flow of any drainage channels, or which may obstruct vehicular sight lines;

(m) no storage shall be allowed outside of the property line of a Lot, and all storage on Lots shall be in conformance with rules established by the Committee;

(n) no outside television, radio or other aerial, dish or antenna, for either reception or transmission, shall be maintained on any Lot, except that such aerials or antennae may be erected and maintained within the Dwellings located upon the Property. The provisions under this section shall not prohibit the Association from installing such devices in a central location for use by all residents of the Property; and

(o) no Member shall make any private, exclusive or proprietary use of any of the Common Areas, except with the specific approval of the Board of Directors, and then only on a temporary basis, and no Member shall engage or direct any employee of the Association on any private business of the Member during the hours such employee is employed by the Association, nor shall any member direct, supervise or in any manner attempt to assert control over any employee of the Association.

Section 7. Residential Use - Leasing. All Dwellings shall be used for private residential purposes exclusively. Any Owner who leases his Dwelling shall provide a copy of such lease to the Association. Any and all lessees shall acknowledge within their applicable leases the receipt of a copy of this Declaration and of the By-Laws and any Rules and Regulations of the Association, and their intention to comply with all provisions of said Declaration, By-Laws and Rules and Regulations. Nothing contained in this Article, or elsewhere in this Declaration, shall be construed to prohibit Declarant from the use of any Lot or Dwelling for promotional or display purposes, or as "model homes", a sales office, construction office or the like; however, any lessee of Declarant shall be bound to abide by the Declaration, By-Laws and Rules and Regulations.

Section 8. House Rules, Etc. There shall be no violation of any rules for the use of the Common Areas and

community facilities or "house rules" or other community rules and regulations not inconsistent with the provisions of this Declaration which may from time to time be adopted by the Board of Directors of the Association and circulated in writing among the membership, and the Board of Directors is hereby and elsewhere in this Declaration authorized to adopt such rules.

Section 9. Enforcement - Right to Remove or Correct Violations. In the event any violation or attempted violation of the Declaration, By-Laws or Rules and Regulations shall occur or be maintained upon any Lot, or in the event of any other conduct in violation of any of the provisions or requirements of said documents, then the same shall be considered to have been undertaken in violation of this Article and without the approval of the Committee required herein, and, upon written notice from the Committee, 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 to take such steps as may be necessary to remove or otherwise terminate or abate such violation and the cost thereof may be assessed against the Lot upon which such violation occurred and, 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 (and subject to the same limitations) 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; and neither the Association nor any such agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

ARTICLE VII  
MANAGEMENT AGREEMENTS  
LIMITED WARRANTY

Section 1. Management Agent. The Board of Directors may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors. The Management Agent shall perform

such duties and services as the Board of Directors shall authorize in writing.

Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated, with or without cause and without the payment of any penalty or termination fee, 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 one-year periods.

Section 2. Limitation of Liability. The Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored within or upon the Common Areas. 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 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.

ARTICLE VIII  
EASEMENTS

Section 1. Reservation of Easement Rights by Declarant. Declarant hereby reserves for itself and all Class A Builder Members a non-exclusive easement and right of way in, through, over and across the Common Areas for the following purposes: the storage of building supplies and materials, construction development and sales activity; and in, through, over and across the Lots and the Common Areas for the installation, construction, maintenance, reconstruction and repair of and for the conveyance of such easements which may be required for sanitary sewer lines, water lines, cables, storm drains, footing drains, utilities and appurtenances to any of the same, and for all other purposes reasonably related to the completion of construction, the development of the Property, and the provision of utility services, whether public or private, to the community and to other property adjacent to, or in the vicinity of, the community. Declarant further reserves for any Institutional Mortgagee of Declarant a non-exclusive easement and right of way in, through, over and across the Common Areas for the purpose of enforcing any rights or remedies provided in such Institutional Mortgagee's Mortgage. Declarant further reserves a nonexclusive easement over all Lots and Common Areas for a distance of twenty-five feet (25') behind any Lot line which parallels a street (whether public or private) for the purpose of erecting and maintaining street intersection signs, directional signs, temporary promotional signs, plantings, street lights, and/or



entrance features, lighting, stone, wood or masonry wall features and/or related landscaping. Upon completion of any signs on the Property, the Association shall repair and maintain same at its sole cost and expense. Any and all instruments of conveyancing made by Declarant to the Association with respect to any of the Common Areas shall be conclusively deemed to incorporate these reservations, whether or not specifically set forth in such instruments. At the request in writing of Declarant, the Association shall from time to time execute, acknowledge and deliver to Declarant such further assurances of these reservations as may be necessary.

Section 2. Easements for Utilities and Related Purposes. The Association is authorized and empowered to grant (and shall from time to time grant) such other licenses, easements and rights of way over the Common Areas for sanitary and storm sewer purposes, street lights, water lines, electrical cables, television cables, telephone cables, gas lines, storm drains, cables, underground conduits and such other purposes related to the provision of utility services to the community as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the Common Areas and for the preservation of the health, safety, convenience and welfare of the Owners or Declarant.

Section 3. Declarant's Easements to Correct Drainage. For a period of two (2) years from the date of conveyance of each Lot, Declarant (or the Builder, if different, as to any Parcel which such Builder may own, in whole or in part) reserves an easement and right on, over and under the ground within that Lot to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any grading of the land, or to take any other similar action reasonably necessary, following which Declarant (or Builder) shall restore the affected property to its original condition as near as practicable. Declarant (or Builder) shall give reasonable notice of intent to take such action to all affected Owners, unless in the reasonable judgment of Declarant (or Builder) an emergency exists which precludes such notice.

Section 4. Easement for Governmental Personnel and Ingress-Egress. A right of entry on, over and across any Lot or Common Area is hereby granted to law enforcement officers, animal control officers and fire and rescue personnel as needed to carry out their duties, including enforcement of cleared emergency vehicle access. An easement of ingress and egress is hereby granted in favor of all Members, their invitees, guests and tenants on, over and across the private

streets within the Common Area as indicated on any recorded subdivision plat for the Property.

ARTICLE IX  
PIPESTEM DRIVEWAYS

Section 1. Restrictions.

(a) Pipestem Driveways shall be used for the purpose of ingress and egress to the Affected Lots, for governmental and other emergency vehicle ingress and egress, and for construction, location and maintenance of utilities and utility facilities.

(b) No act shall be performed by any Owner or his tenants, guests or agents which would in any manner affect or jeopardize the free and continuous use and enjoyment by the Owner of an Affected Lot of the Pipestem Driveway serving such Affected Lot.

(c) There shall be no parking within any Pipestem Driveway at any time except for delivery or emergency vehicles, unless all Owners of Affected Lots served by such Pipestem Driveway shall agree upon other parking limitations.

(d) Maintenance; Damage or Destruction.

(1) If any Pipestem Driveway is damaged or destroyed through the act of an Owner or any of his agents, tenants, guests or family (whether or not such act is willful or negligent), it shall be the obligation of such Owner to promptly rebuild and repair the Pipestem Driveway without cost to the other Owners of Affected Lots served by that Pipestem Driveway.

(2) If any Pipestem Driveway is damaged or destroyed other than by the act of an Owner, his agents, tenants, guests or family, or if the Pipestem Driveway requires ordinary maintenance or other repair due to common wear and tear, it shall be the obligation of all Owners of Affected Lots served by that Pipestem Driveway to rebuild, repair or maintain such Pipestem Driveway at their joint and equal expense. In furtherance of such purpose, the Owners of Affected Lots served by a Pipestem Driveway shall assess themselves periodic dues (which shall be a lien on such Affected Lots) that shall be placed in a reserve fund to be used to defray the costs of said rebuilding, repair and maintenance. Any lien arising out of an assessment for rebuilding, repair or maintenance of Pipestem Driveways shall be subordinate to the lien of any First Mortgage, and the lien provided the Association pursuant to the terms hereof, and may be enforced by any one or more of the Owners of the Affected Lots served by that Pipestem Driveway, or by the Association on behalf of such Owners.

(3) If any dispute shall arise concerning the use, repair or maintenance of any Pipestem Driveway that cannot be resolved by the Owners of the Affected Lots served by that Pipestem Driveway, such dispute shall be resolved by disinterested members of the Board of Directors, and such decision of the Board of Directors shall be binding on the Owners of such Affected Lots.

ARTICLE X  
GENERAL PROVISIONS

Section 1. Amendment. Subject to the other limitations set forth in this Declaration, including approval of Mortgagees, FHA and/or VA, as applicable, this Declaration may be amended only by an instrument executed and acknowledged by the votes of at least ninety percent (90%) of each class of the then Members of the Association, which instrument shall be recorded among the land records for the jurisdiction in which this Declaration is recorded. Notwithstanding the foregoing, after the passage of twenty (20) years from the date of recordation of this Declaration, this Declaration may be amended only by an instrument executed and acknowledged by the votes of at least seventy-five percent (75%) of each class of the then Members of the Association recorded as aforesaid. Unless a later date is specified in any such instrument, any amendment to this Declaration shall become effective on the date of recording. Notwithstanding anything contained herein to the contrary, Declarant may unilaterally amend this Declaration for any reason prior to the conveyance of any Lot to a Class A Member, and thereafter may so amend it to correct any defects required to be corrected by Prince William County or the FHA or VA.

Section 2. Duration. Unless amended in accordance with the provisions of Section 1 of this Article and the other requirements of this Declaration, and except where permanent easements or other permanent rights or interests are created in this Declaration, the Covenants and Restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or any Owner subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date of recordation of this Declaration, after which the said covenants shall be automatically extended for successive periods of twenty (20) years each, unless prior to the expiration of the first twenty (20) year period the Covenants and Restrictions are expressly terminated by an instrument signed by Owners of not less than ninety percent (90%) of the Lots, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners, and in any instance with the approval of Mortgagees as provided in this Article and of necessary governmental authorities, if any.

Section 3. Construction and Enforcement. The provisions hereof shall be liberally construed to accomplish the purpose of creating a uniform plan for the development and operation of the community. Enforcement of these Covenants and Restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any Covenant or Restriction, either to restrain or enjoin violation or to recover damages or both, and against any Lot to enforce the lien created hereby; and the failure or forbearance by the Association or any Owner to enforce any Covenant or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

In addition, the Board of Directors or the Architectural Control Committee, as appropriate, has the power to impose charges for a violation of the Covenants and Restrictions, the Association's legal documents or rules and regulations.

The provisions hereof may be enforced, without limitation, by Declarant, by the Association, by any Owner or any Mortgagee which becomes subject to the provisions hereof and by any other person, firm, corporation or other legal entity who has any right to the use of any of the Common Areas owned by the Association.

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 within Covenants or Restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

Section 4. Successors of Declarant. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Original Declarant hereunder, or any part of them, may be assigned and transferred (in whole or in part) by the Original Declarant, in its sole discretion, with or without notice to the Association. Upon any such assignment by the Original Declarant, all obligations, rights, liabilities and responsibilities of the Original Declarant automatically, thereafter, become null and void with respect to the Original Declarant and are assumed by the Successor Declarant. In addition, the Successor Declarant may assign and transfer (in whole or in part), in its sole discretion, its rights, reservations, easements, interests, exemptions, privileges and powers, or any part of them, to a subsequent Successor Declarant, with or without notice to the Association, whereby all obligations, rights, liabilities and responsibilities of the Successor Declarant shall automatically, thereafter, become null and void with respect to the Successor Declarant and be assumed by the assignee Successor Declarant.

Section 5. Incorporation by Reference on Resale. In the event any Owner sells or otherwise transfers any Lot, any

deed purporting to effect such transfer shall contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration.

Section 6. Notices. Unless otherwise specified in this Declaration, any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 7. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Areas 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.

Section 8. Severability. Invalidation of any one of these Covenants or Restrictions by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

Section 9. Mortgage Holder Consents. Any other provision of this Declaration to the contrary notwithstanding, neither the Members, the Board of Directors nor the Association shall, by act or omission, take any of the following actions without the prior written consent and approval of at least sixty-six and two-thirds percent (66-2/3%) of the Institutional Holders of all First Mortgages:

(a) abandon, partition, subdivide, encumber, sell or transfer any of the Common Areas; provided, however, that the granting of rights of way, easements and the like for public utilities or for other purposes consistent with the use of the Common Areas by the Members of the Association shall not be considered a transfer within the meaning of this Section; or

(b) abandon or terminate this Declaration; or

(c) modify the method of determining and collecting Annual or Special Maintenance Assessments or other assessments as provided for in this Declaration; or

(d) fail to maintain fire and extended coverage insurance on insurable Common Areas on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value of such Common Areas, based upon current replacement cost; or

(e) resolve to use the proceeds of casualty insurance for any purpose other than the repair, replacement or reconstruction of the Common Areas.

The modification or amendment of any material or substantive provision of this Declaration, the Articles of Incorporation or the By-Laws of the Association shall not be permitted or undertaken without such consent by fifty-one percent (51%) of the Institutional Holders of all First Mortgages.

Section 10. Consent of Veterans Administration and/or Federal Housing Administration. Provided that there are then Class B memberships and/or Class A Builder memberships of the Association outstanding, neither the Members, the Board of Directors nor the Association shall, by act or omission, take any of the following actions without the prior written consent and approval of the VA and/or the FHA:

(a) abandon, partition, subdivide, encumber, sell or transfer any of the Common Areas; provided, however, that the granting of rights of way, easements and the like for public utilities or for other purposes consistent with the use of the Common Areas by the Members of the Association shall not be considered a transfer within the meaning of this Section; or

(b) abandon or terminate this Declaration; or

(c) modify or amend any provision of this Declaration or the By-Laws of the Association; or

(d) annexation of adjacent real property, except with regard to the property to be annexed which is described and identified in Article II, Section (2) herein.

Section 11. Additional Rights of Mortgagees - Notice. The Association shall promptly notify the holder of the First Mortgage on any Lot for which any assessment levied pursuant to the Declaration, or any installment thereof, becomes delinquent for a period in excess of thirty (30) days and the Association shall promptly notify the holder of the First Mortgage on any Lot with respect to which any default in any other provision of this Declaration remains uncured for a period in excess of thirty (30) days following the date of such default. Any failure to give any such notice shall not affect the validity or priority of any First Mortgage and the protection extended in this Declaration to the holder of any First Mortgage shall not be altered, modified or diminished by reason of such failure.

No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to this Declaration except after ten (10) days' written notice to the holder

of the First Mortgage on the Lot which is the subject matter of such suit or proceeding.

Any Institutional First Mortgagee of any Lot upon the Property may pay any taxes, utility charges or other charge levied against the Common Areas which are in default and which may or have become a charge or lien against any of the Common Areas and any such Institutional First Mortgagee may pay any overdue premiums on any hazard insurance policy or secure new hazard insurance coverage on the lapse of any policy, with respect to the Common Areas. Any First Mortgagee who advances any such payment shall be due immediate reimbursement of the amount so advanced from the Association.

Section 12. Casualty Losses. 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 holders of all First Mortgages of record on the Lots. No provision of this Declaration or the By-Laws of the Association shall entitle any Member to any priority over the holder of the First Mortgage of record on his 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 13. Condemnation or Eminent Domain. In the event any part of the Common Area 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 holders of all First Mortgages. No provision of this Declaration or the By-Laws of the Association shall entitle any Member to any priority over the holder of the First Mortgage of record on his 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.

Section 14. Captions and Gender. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male shall include all genders and the singular shall include the plural.

WITNESS the following signatures and seals:

HADDON GROUP OF VIRGINIA, L.P., a Delaware limited partnership

By: Haddon South Corporation, General Partner

By: [Signature]  
Name: A. SCOTT BEATTY  
Title: Vice Pres.

WINDSON DEVELOPMENT CORPORATION, a New Jersey corporation

By: [Signature]  
Name: CURTIS M. BERLINER  
Title: President

ARROWOOD HOMEOWNERS' ASSOCIATION, a Virginia non-stock corporation

By: [Signature]  
Name: A. SCOTT BEATTY  
Title: President

STATE OF Virginia  
COUNTY OF Prince William, to wit:

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that A. Scott Beatty, whose name as Vice President of Haddon South Corporation, General Partner of Haddon Group of Virginia, L.P., a Delaware limited partnership, is signed to the foregoing Declaration, has personally subscribed and sworn to the same before me in my aforesaid jurisdiction.

GIVEN under my hand and seal this 13<sup>th</sup> day of February, 1992.

My commission expires: June 5, 1993

[Signature]  
Notary Public



STATE OF Virginia  
COUNTY OF Fairfax, to wit:

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Charles M. Berman, whose name as President of Windson Development Corporation, a New Jersey corporation, is signed to the foregoing Declaration, has personally subscribed and sworn to the same before me in my aforesaid jurisdiction.

GIVEN under my hand and seal this 17<sup>th</sup> day of February, 1992.

My commission expires:  
August 31, 1995

Dyanne Lovell  
Notary Public

STATE OF Virginia  
COUNTY OF Prince William, to wit:

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Scott Galley, whose name as President of Arrowood Homeowners' Association, a Virginia non-stock corporation, is signed to the foregoing Declaration, has personally subscribed and sworn to the same before me in my aforesaid jurisdiction.

GIVEN under my hand and seal this 13<sup>th</sup> day of February, 1992.

My commission expires:  
June 5, 1993

Scott Galley  
Notary Public

02/12/92  
0715KMW

# Commonwealth of Virginia



## STATE CORPORATION COMMISSION

*Richmond,* March 2, 1990

*This is to Certify that the certificate of incorporation of*

ARROWOOD HOMEOWNERS' ASSOCIATION

*was this day issued and admitted to record in this office and that the said corporation is authorized to transact its business subject to all the laws of the State applicable to the corporation and its business. Effective date: March 2, 1990*



*State Corporation Commission*

*George W. Bryant, Jr.*

*Clerk of the Commission*

ARTICLES OF INCORPORATION  
OF  
ARROWOOD HOMEOWNERS' ASSOCIATION

ARTICLE I

NAME

The name of this corporation is Arrowood Homeowners' Association, which is hereby incorporated as a non-stock, not for profit corporation pursuant to Chapter 10 of Title 13.1 of the Code of Virginia.

ARTICLE II

DEFINITIONS

The following words, when used in these Articles of Incorporation, shall have the following meanings:

- 2.1 "Affected Lots" shall mean and refer to the Lots encumbered and/or serviced by Pipestem Driveways.
- 2.2 "Arrowood" shall mean and refer to the property that is from time to time subject to the Declaration.
- 2.3 "Articles of Incorporation" shall mean and refer to these Articles of Incorporation of Arrowood Homeowners' association.
- 2.4 "Association" shall mean and refer to Arrowood Homeowners' Association, the entity created by these Articles of Incorporation, and its successors and assigns.
- 2.5 "Board" or "Board of Directors" shall mean and refer to the Board of Directors of Arrowood Homeowners' Association, the executive body which shall be empowered to authorize or undertake any action on behalf of the Association in accordance with the powers and duties delineated in the By-laws and in the Declaration of Covenants, Conditions and Restrictions, Code of Virginia and which are not otherwise

subject to a vote of the Members.

2.6 "By-laws" shall mean and refer to the By-laws adopted by the Board of Directors of Arrowood Homeowners' Association.

2.7 "Common Area" shall mean and refer to Parcel A of Section One, as identified in the recorded subdivision plat of the Property, and all real property, including any improvements thereon or thereto, owned, leased, maintained or operated by the Association (or designated on any recorded subdivision plat of the Property as intended to be conveyed to the Association) for the common use and enjoyment of the Members of the Association.

2.8 "Declarant" shall mean and refer to Haddon Group of Virginia, L.P. a Delaware Limited Partnership ("Haddon") and Windson Development Corporation, a New Jersey Corporation ("Windson") and, any assignee of Haddon and Windson Group (if an appropriate document is executed by Haddon and Windson and the assignee, and recorded, assigning to such assignee all rights reserved to and responsibilities of Declarant in the Declaration with respect to all or any portion of the Property and/or Lots, or any entity succeeding to any of Declarant's rights and responsibilities under the Declaration by foreclosure, by acceptance of a deed in lieu of foreclosure, or by any similar proceeding.

2.9 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions for Arrowood, which is to be recorded in the land records of Prince William County, Virginia, and any amendments thereto duly recorded in the land records of Prince William County, Virginia, said Declaration being incorporated herein as set forth in these Articles of Incorporation.

2.10 "Director" shall mean and refer to a member of the Board of Directors.

2.11 "Lot" shall mean and refer to a portion of the Property designated as a numbered lot on any plat of subdivision of the Property recorded in the land records of Prince William County, Virginia, and all improvements on such land.

2.12 "Member" shall mean and refer to every person, group of persons, or entity who holds membership in the Association.

2.13 "Mortgagee" shall mean and refer to any person or entity holding a first mortgage or first deed of trust on any Lot or the Common Area, if the Association has been notified in writing of the existence of such mortgage or deed of trust.

2.14 "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 a part of the Property and subject to the terms of the Declaration, but shall exclude those having such interest merely as security for the performance of an obligation, such as any Mortgagee, until such Mortgagee has acquired record title pursuant to foreclosure or any procedure in lieu of foreclosure.

2.15 "Parcel" shall mean and refer to a portion of the Property designated as a lettered parcel on any plat of subdivision recorded in the land records of Prince William County, Virginia.

2.16 "Property" shall mean and refer to all of the real property with improvements thereon or thereto, described on Exhibit A to the Declaration, and all other real property (including the improvements thereto) that may later be subjected to the provisions of the Declaration.

ARTICLE III

PURPOSES

The purposes for which the Association is organized are:

3.1 To exercise all of the powers and rights, and to perform all of the duties and obligations, of the Association set forth in the Declaration, or in any amendments thereto duly filed in the land records of Prince William County, Virginia or the By-laws of the Association; and

3.2 To exercise the powers contemplated by Chapter 10 of Title 13.1 and Chapter 26 of Title 55 of the Code of Virginia and any other powers now or hereafter conferred by law on nonstock corporations and property owners' associations created pursuant to the laws of the Commonwealth of Virginia.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

4.1 Membership. Every person or entity who is an Owner of a Lot that is subject to the terms of the Declaration shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership. A Mortgagee in possession of a Lot shall be entitled to exercise the Owner's rights in the Association with regard to such Lot.

4.2 Voting Rights. The Association shall have three classes of voting membership:

4.2(1) Class A: Class A Members shall be all Owners

with the exception of the Class B and Class C Members. Class A Members shall be entitled to one vote for each Lot in which they hold the ownership interest required for membership by Section 4.1 herein. When more than one person holds such ownership interest in any one Lot, all such persons shall be Members. The vote for such Lot shall be exercised as such persons determine among themselves, but in no event shall more than one vote be cast with respect to any Lot, except as provided in Section 4.2(2) and 4.2(3) below.

4.2(2) Class B: Class B Members shall be any persons

or entities who acquire one or more unimproved Lots for the purpose of improving such Lot with improvements consistent with the development plan of the Property, and shall be entitled to three (3) votes for each Lot in which they hold the ownership interest required for membership by Section 4.1.

4.2(3) Class C: Declarant shall be the sole Class C

Member. The Class C Member shall be entitled to three (3) votes for each Lot in which it holds the ownership interest required for membership by Section 4.1. The Class B and C memberships shall cease and be converted to a Class A membership with one (1) vote for each Lot owned on the happening of the earlier of either of the following events:

(a) When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B and C memberships provided, however, that the Class A membership and Class B memberships shall be automatically revived when the Declarant subjects an additional piece of land to the provisions of the Declaration, or

(b) On that date which is seven (7) years following  
the date of recordation of the Declaration.

4.3 Required Majority. Unless a greater percentage is set forth in the Declaration, Articles of Incorporation, By-laws, or Code of Virginia, a simple majority of the votes cast by each class of the Members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon.

ARTICLE V

BOARD OF DIRECTORS

5.1 Initial Board of Directors. The affairs of the Association initially shall be managed by a Board of three (3) Directors, who need not be Members. The Board of Directors shall initially be comprised of the three (3) persons whose names and addresses are listed

below:

5.1(1) A. Scott Beatty  
c/o Haddon Group, L.P.  
8629 Mathis Avenue  
Manassas, VA 22110

5.1(2) John H Heppe  
c/o Haddon Group, L.P.  
8629 Mathis Ave  
Manassas, VA 22110

5.1(3) William B Kremens  
Windson Development Corporation  
1650 Tysons Blvd, Suite 620  
McLean, VA 22102



5.2 Selection of Directors. The initial Board of Directors shall serve at the pleasure of the Class C Member, who shall appoint, remove, and replace them at will, until the scheduled annual meeting of the Association which is held following cessation of the Class B and Class C memberships. Beginning with the annual meeting of the Association, as noted in this section 5.2, the Association shall be managed by a Board of five (5) Directors, who need not be Members. Additionally, at this annual meeting of the Association, the Members shall elect one Director for a term of one year, two Directors for terms of two years, and two Directors for terms of three years. At each annual meeting thereafter the Members shall elect, in alternate years, either one or two Directors for terms of three years to fill the vacancies created by the expiration of the terms of the previous Directors.

#### ARTICLE VI

##### INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association is located in Prince William County, Virginia, c/o Haddon Group, L.P., 8629 Mathis Ave, Manassas, VA 22110. The initial registered agent of the Association at such address is A. Scott Beatty, a resident of Virginia and a Director of the Association.

#### ARTICLE VII

##### DURATION

The Association shall have perpetual existence.

#### ARTICLE VIII

##### DISSOLUTION

The Association may be dissolved only in accordance with the laws of Virginia and with the prior approval of either (i) more than

two-thirds (2/3) of the votes of each class of Members at a meeting of the Members, or (ii) all of the Members, if by written consent. Upon dissolution of the Association, other than a dissolution incident to a merger or consolidation, the liquid assets of the Association shall be distributed to the Members in equal shares. All other assets of the Association shall be dedicated to a public authority, or granted and conveyed to a nonprofit association, trust, or similar organization, to be devoted to purposes similar to the purposes for which the assets were held prior to such dissolution.

ARTICLE IX  
AMENDMENTS

Amendment of these Articles of Incorporation shall be accomplished in accordance with the laws of Virginia and shall require the approval of two-thirds (2/3) of each class of Members.

ARTICLE X  
OTHER REQUIRED APPROVAL

As long as there is a Class B or a Class C membership, the following actions require the prior approval of the Federal Housing Administration or the Veterans Administration:

- 10.1 Annexation of additional property to Arrowood, other than as set forth in Article II, Section 1 of the Declaration;
- 10.2 Mergers, consolidations, or dissolution of the Association;
- 10.3 Mortgaging or dedication of the Common Area; and
- 10.4 Amendment of these Articles of Incorporation.

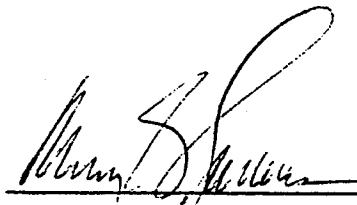
IN WITNESS WHEREOF, we the incorporators of the Association,  
have executed these Articles of Incorporation on this 15 day of  
February, 1989.



---

A. Scott Beatty

An Incorporator



---

William B. Kremens

An Incorporator

ARTICLES OF RESTATEMENT  
OF  
ARTICLES OF INCORPORATION  
OF  
ARROWOOD HOMEOWNERS' ASSOCIATION

The Articles of Incorporation of Arrowood Homeowners' Association are hereby amended and restated, pursuant to the provisions of Chapter 10 of Title 13.1 of the Code of Virginia, as follows:

1. NAME: The name of the corporation is ARROWOOD HOMEOWNERS' ASSOCIATION.

2. PURPOSE AND POWERS: This corporation does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of residence lots and common areas within that certain tract of land containing approximately 17.4005 acres located in Prince William County, Virginia, being the property duly dedicated, platted and recorded in Deed Book 1829 at Page 1308 among the land records of Prince William County, Virginia, and within any additions to said 17.4005 acres as may hereafter be brought within the jurisdiction of this Association (the "Property"). The corporation has the power:

(a) To take title to and hold, maintain, improve and beautify, without profit to itself, and for the use in common with all the members of this corporation or their families, guests and invitees, such common areas within the aforesaid Property as may be from time to time conveyed to it in fee simple or by deed of easement; to enforce the covenants, restrictions, easements, reservations, servitudes, profits, licenses, conditions, agreements and liens provided in the Declaration of Covenants, Conditions and Restrictions for Arrowood Homeowners' Association, as may be from time to time recorded and/or amended among the land records of Prince William County, Virginia in connection with said Property.

(b) To do any and all lawful things and acts that the corporation may from time to time, in its discretion, deem to be for the benefit of the aforesaid Property and the owners and inhabitants thereof, or deemed advisable, proper or convenient for the promotion of the peace, health, comfort, safety or general welfare of the owners and inhabitants thereof, pursuant to applicable law and as authorized by the aforesaid Declaration.

(c) To exercise all the powers and privileges and to perform all the duties and obligations of the corporation as set forth in the aforesaid Declaration of Covenants, Conditions and Restrictions applicable to said Property.

(d) To fix, assess, levy, collect, enforce payment by any lawful means, and disburse all charges or assessments created under and pursuant to the terms of the aforesaid Declaration of Covenants, Conditions and Restrictions.

(e) To acquire by gift, purchase or otherwise own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate or otherwise dispose of real or personal property in connection with the affairs of the corporation, including, however not limited to, the granting of easements over and across its Property and the adjustment of Property lines.

(f) To borrow money, pledge, mortgage, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

(g) To maintain, replace, repair, preserve and landscape the common areas, including, without limitation, maintenance of any stormwater detention ponds or the like located upon the common areas and the cost of the maintenance of all street lights, pathways, entry facilities and lighting and any retaining walls upon the Property, together with such equipment as the Board of Directors shall determine to be necessary and proper in connection therewith.

(h) To have and to exercise any and all powers, rights and privileges which a corporation organized under Chapter 10 of Title 13.1 of the Code of Virginia by law may now or hereafter have or exercise.

(i) No substantial part of the activities of the Association shall be devoted to attempting to influence legislation by propoganda or otherwise within the meaning of the prescriptive provisions of the Internal Revenue Code. The Association shall not directly or indirectly participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

3. INTERNAL AFFAIRS: Provisions for the internal affairs of the corporation are:

(a) The corporation is not organized for pecuniary profit nor shall it have any power to issue certificates of stock or pay dividends, and no part of the net earnings or assets of the corporation shall be distributed, upon dissolution or otherwise, to any individual or members of the corporation. The corporation shall not pay compensation to its members, directors or officers in their capacity as such, but the fact that a person is a member, director or officer shall not disqualify that person from receiving compensation for the services actually rendered to the corporation at its request. Furthermore, any director or officer may be

reimbursed for his actual expenses incurred in the performance of his duties.

(b) The following shall be members of the corporation:

Every person or entity who is a record owner of a fee or undivided fee interest in any lot or parcel which is subject by covenants of record to assessment by the corporation, including contract sellers, shall be members of the corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more or less than one membership for each lot owned. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the corporation. Ownership of such lot shall be the sole qualification for membership.

(c) Voting rights: The corporation shall have the following classes of voting membership:

Class A. Class A Members shall be all those owners as defined in paragraph 3(b) with the exception of the Class B Members. Each Class A Member who is not also a Builder, as "Builder" is defined in the Declaration of Covenants, Conditions and Restrictions for Arrowood Homeowners' Association ("Class A Non-Builder Member"), shall be entitled to one (1) vote for each lot owned; each Class A Member who is also a Builder ("Class A Builder Member") shall be entitled to one (1) vote for each lot contained (by reference to a recorded subdivision plat) or to be contained (by reference to the final site plan) within any "Parcel", as defined in the Declaration of Covenants, Conditions and Restrictions for Arrowood Homeowners' Association, owned by the Builder at the time of the vote. When more than one person holds such interest in any lot, all such persons shall be members; the vote for such lot may be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot.

Class B. The Class B Member shall be the Declarant as defined in the Declaration of Covenants, Conditions and Restrictions for Arrowood Homeowners' Association. The Class B Member shall be entitled to three (3) votes for each lot, as described in the above paragraph, in which it holds the interest required for membership; provided, however, the Class B membership and the Class A Builder membership shall cease and be converted to Class A Non-Builder memberships on the happening of either of the following events, whichever occurs first:

(1) When the total votes outstanding in the Class A Non-Builder membership equals the total votes

outstanding in the Class A Builder membership and the Class B membership, or

(2) December 31, 1999; provided further, that

In the event of annexation of additional properties, Class A Builder and Class B memberships shall continue or be revived with respect to those lots contained in the annexed property; provided, further, that these Class A Builder and Class B memberships shall cease and be converted to Class A Non-Builder memberships on the happening of either of the following events, whichever occurs first:

(1) When the total votes outstanding in the Class A Non-Builder membership in the annexed property equals the total votes outstanding in the Class A Builder and Class B memberships in such annexed property, or

(2) Five (5) years from the date of recordation of the Deed of Dedication and Subdivision for such annexed property.

(d) Only members of the corporation shall have the right to vote for the election of directors at the annual meeting of the corporation called for that purpose.

4. DIRECTORS: The management of the affairs of the corporation shall be vested in the directors. Only members of the corporation, and designees of the Declarant, or of its successors and assigns, shall be eligible to act as directors of the corporation. Except for the number of the initial Board of Directors, the number of directors of subsequent Boards of Directors shall be determined by the members of the Association in accordance with the By-Laws of the corporation. The first election of directors by the members of the corporation shall be held at the first annual meeting of the members. Any member of the corporation shall be eligible to be elected and/or appointed as a director. At the first annual meeting of members, the Board of Directors shall be divided into three (3) classes, as nearly equal in number as possible, with the term of office of one class expiring each year. The three (3) classes of membership of the Board of Directors shall be determined as follows:

(a) The first class of directors shall be those eligible persons receiving the highest number of votes cast by the members of the Association.

(b) The second class of directors shall be those eligible persons receiving the highest number of votes cast by the members of the Association, after first class directors' positions have been filled.

(c) The third class of directors shall be those eligible persons receiving the highest number of votes cast by the members of the Association, after the first and second class directors' positions have been filled.

Directors of the first class shall be elected for three (3) years; directors of the second class shall be elected for two (2) years; and directors of the third class shall be elected for one (1) year. Thereafter, at each annual meeting of the members, the successors to the class of directors whose terms shall then expire shall be elected for a term of three (3) years. Any single vacancy occurring in the initial or any subsequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining directors and, if not so previously filled, shall be filled at the next succeeding meeting of members of the Association. Any director elected by the remaining directors to fill a vacancy shall serve as such until the next members meeting at which directors are elected. If more than one vacancy in the initial or any subsequent Board of Directors occurs at one time, the vacancies may be filled by a special election of the members of the Association for the unexpired term of such predecessors.

5. REGISTERED OFFICE: The post office address of the initial registered office of the corporation is 8629 Mathis Avenue, Manassas, Virginia 22110, in the County of Prince William. The name of the corporation's initial registered agent is John Heppe, who is a resident of the Commonwealth of Virginia and a member of the Board of Directors of the corporation, and whose business office is the same as the registered office of the corporation.

6. INITIAL BOARD OF DIRECTORS: The number of directors constituting the initial Board of Directors is three (3), who shall serve until the first annual meeting of the members of the corporation. The name and address of the persons who are to serve as the initial directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
John Heppe	8629 Mathis Avenue Manassas, Virginia 22110
A. Scott Beatty	8629 Mathis Avenue Manassas, Virginia 22110
William B. Kremens	Windson Development Corporation 1650 Tysons Blvd, Suite 620 McLean, VA 22102

7. LIABILITIES: The highest amount of indebtedness or liability, direct or contingent, to which this corporation may be subject at any one time shall not exceed one hundred fifty



percent (150%) of the annual assessment of the members while there is Class B membership, and thereafter shall not exceed one hundred fifty percent (150%) of the corporation's income for the previous fiscal year, provided that additional amounts may be authorized by the assent of two-thirds (2/3) of the votes cast by each class of membership.

8. **AUTHORITY TO MORTGAGE:** Any mortgage by the corporation of the common area conveyed to it in fee simple or by deed of easement for community association purposes shall have the assent of more than two-thirds (2/3) of each class of the then members of the association in accordance with the Declaration.

9. **AUTHORITY TO DEDICATE:** The corporation shall have the right and power to dedicate, sell or transfer all or any part of such area so conveyed to it for homeowners association purposes to any public agency, authority or utility or to the Declarant for purposes consistent with the purposes of the aforesaid Declaration, subject to the then existing laws, applicable ordinances and provisions of the Declaration.

10. **AUTHORITY TO GRANT EASEMENTS:** The corporation shall have the right and power to grant licenses, rights of way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, to any municipal agency, public utility, the Declarant or any other person; provided, however, that no such licenses, rights of way or easements shall be unreasonably and permanently inconsistent with the rights of the members to the use and enjoyment of the common areas.

11. **AUTHORITY TO RESUBDIVIDE:** The corporation, at any time or times, consistent with the then existing zoning ordinances of Prince William County, and pursuant to a recorded subdivision or resubdivision plat and provisions of the Declaration, shall have the right and power to transfer part of the common area to the Declarant for the purpose of adjusting lot lines or otherwise in connection with the orderly resubdivision, subdivision and/or development of the Property, provided that: (a) such transfer shall not reduce the portion of the Property, and subdivided additions thereto, designated as "open space" below the minimum level of "open space" required by Prince William County in the process of subdividing or resubdividing the Property at the time of transfer, and (b) if additional open space is required by ordinance, the Declarant shall transfer to the Corporation as "open space" such portion of the Property or an addition thereto as is necessary to maintain the total acreage designated as "open space" at the required level.

12. **DISSOLUTION:** The corporation may be dissolved with the consent of members entitled to cast more than two-thirds (2/3) of the votes of each class of membership. Upon dissolu-

tion of the corporation, the assets, both real and personal, of the corporation shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by this corporation.

13. MERGERS AND CONSOLIDATIONS: To the extent permitted by law, the corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the votes of each class of member of the Association.

14. AMENDMENTS: Amendment of these Articles shall require the assent of at least seventy-five percent (75%) of the votes of each class of membership at a meeting of members duly called for that purpose; provided, however, that the Class B Member may amend these Articles unilaterally at any time prior to the conveyance of any property to the corporation, for any reason, and thereafter to correct any defects required to be corrected by the Federal Housing Administration, the Veterans Administration or Prince William County, Virginia.

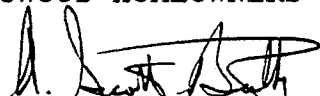
15. FHA/VA APPROVAL: As long as there is a Class A Builder membership and a Class B membership the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional property, mergers and consolidations, mortgaging of common area, dedication of such area, dissolution of the corporation and material amendment to these Articles.

16. INDEMNIFICATION: Each person now or hereafter a director or officer of the corporation (and his or her heirs, executors and administrators) shall be indemnified by the corporation against all claims, liabilities, judgments, settlements, costs and expenses, including all attorney's fees, imposed upon or reasonably incurred by him or her in connection with or resulting from any action, suit, proceeding or claim to which he or she is or may be made a party by reason of his or her being or having been a director or officer of the corporation (whether or not a director or officer at the time such costs or expenses are incurred by or imposed upon him or her), except in relation to matters as to which he or she shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence, willful misconduct or receipt of improper benefits in the performance of his or her duties as such director or officer. In the event of any other judgment against such director or

officer, the indemnification shall be made only if the corporation shall be advised by the Board of Directors that in its opinion such director or officer was not guilty of gross negligence or willful misconduct in the performance of his or her duty. In the event of a settlement, if none of the persons involved is or has been a director, the indemnification shall be made only if the corporation shall be advised by the Board of Directors that in its opinion such settlement was or is in the best interest of the corporation. If the determination is to be made by the Board of Directors, it may rely as to all questions of law on the advice of independent counsel. Such right of indemnification shall not be deemed exclusive of any rights to which said persons or other persons may be entitled under any by-laws, agreement, vote of stockholders, or otherwise.

IN WITNESS WHEREOF, for the purposes of amending and restating the Articles of Incorporation of the corporation under the laws of the Commonwealth of Virginia, the undersigned, a duly authorized officer of the corporation, has executed these Articles of Restatement of Articles of Incorporation on behalf of the corporation this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

ARROWOOD HOMEOWNERS' ASSOCIATION

By:   
Name: A. Scott Beatty  
Title: President

02/12/92  
0713KMW

AMENDMENT AND SUPERSEDURE  
OF  
BY-LAWS  
OF  
ARROWOOD HOMEOWNERS' ASSOCIATION

WHEREAS, the Board of Directors of Arrowood Homeowners' Association does hereby amend the By-Laws of the Association by adopting the following as the By-Laws of the Association, which shall supersede in their entirety the by-laws previously adopted by the Board on February 27, 1991.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Arrowood Homeowners' Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 8629 Mathis Avenue, Manassas, Virginia 22110, but meetings of members and directors may be held at such places within the Commonwealth of Virginia as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Arrowood Homeowners' Association, its successors and assigns.

Section 2. "Common Area" means, at any given time, all of the Property, other than Lots, then owned or leased by the Association or otherwise available to the Association for the benefit, use and enjoyment of the Owners.

Section 3. "Original Declarant" shall collectively mean and refer to Haddon Group of Virginia L.P., a Delaware limited partnership ("Haddon"), and Windson Development Corporation, a

New Jersey corporation ("Windson"). The Original Declarant shall cease to exist and shall be relieved of all rights, liabilities or responsibilities under the Declaration when it is no longer an Owner of any Lot or Parcel within the Property, or earlier as otherwise specified in the Declaration.

Section 4. "Successor Declarant" shall mean and refer to the Original Declarant's successor(s) or assign(s) pursuant to Article IX, Section 4, of the Declaration who have acquired one or more Parcel(s) or Lot(s) for the purpose of development, or any entity succeeding to any of the Original Declarant's rights and responsibilities under the Declaration by foreclosure, by acceptance of a deed in lieu of foreclosure or by any similar proceeding. If the Successor Declarant consists of more than one person or entity, the rights and obligations of the Successor Declarant(s) shall be several and shall be based upon and proportioned in accordance with the number of votes to which each Successor Declarant is entitled pursuant to Article III, Section 2 of the Declaration.

Section 5. "Declarant" shall herein collectively mean and refer to the Original Declarant and/or any Successor Declarant.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for the Association applicable to the Property recorded in the Office of the Clerk of Circuit Court, Prince William County, Virginia, and any amendments thereto.

Section 7. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Property, with the exception of the Common Areas and areas dedicated as public streets.

Section 8. "Member" shall mean and refer to every person or entity who holds membership in the Association as provided in the Declaration.

Section 9. "Parcel" shall mean a portion of the Property or additions thereto within which it is contemplated that one or more Lots and Common Areas are to be created by one or more recorded subdivision plats.

Section 10. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Parcel or Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 11. "Property" shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 12. Other terms set forth herein shall bear the meanings set forth for such terms in the Declaration or, if not defined therein, in the applicable provisions of the Code of Virginia.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, at an hour and place to be determined by the Board of Directors and included in the notice for such meetings, and each subsequent regular annual meeting of the Members shall be held within 375 days of the date of the previous annual meeting at an hour, date and place to be determined by the Board of Directors. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of one-fourth ( $\frac{1}{4}$ ) of all the votes outstanding in either class of membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of each notice, postage prepaid, at least fifteen (15) days, and no more than sixty (60) days, before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall

specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to vote, or of proxies entitled to vote, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. Once a Member is present at a meeting the Member is deemed present for quorum purposes for the remainder of the meeting and for adjournment of that meeting unless a new record date is or shall be set for that adjourned meeting.

Section 5. Proxies. A vote may be cast in person or by proxy. A proxy may be instructed (directing the proxy how to vote) or uninstructed (leaving how to vote to the proxy's discretion). Only instructed proxies may be granted by any Member to the managing agent. No person other than the Declarant, a Mortgagee, the managing agent or an Officer shall cast votes as a proxy for more than one Lot not owned by such person. Proxies shall be in writing, shall be dated, shall be signed by the Member or a person authorized by the Member (or in cases where the Member is more than one person by or on behalf of all such persons), shall be valid for eleven (11)



months unless a longer time period is provided in the proxy and shall be filed with the Secretary. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from the Member. Such proxy shall automatically cease upon conveyance by the Member of his Lot.

Section 6. Members' List.

(a) The Secretary shall make, at least ten (10) days before each meeting, a complete list of the Members, with the address of each. Where Members are entitled to vote the list shall be arranged by voting group.

(b) For a period of ten (10) days prior to the meeting, the list of Members shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting for the purposes thereof, subject to the limitations set forth by law.

(c) If the requirements of this Section 6 have not been substantially met, the meeting shall, on the demand of any Member in person or by proxy, be adjourned until the requirements have been met. Refusal or failure to prepare or make available the Members' list does not affect the validity of action taken at the meeting prior to the making of any such demand, but any action, except adjournment, taken by the Members after any such demand shall be invalid and of no effect.

ARTICLE IVBOARD OF DIRECTORS: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed initially by such number of Directors as the Declarant may direct, until the first annual meeting. From and after the first annual meeting the affairs of this Association shall be managed by a Board of seven (7) Directors, who shall be Members or designees of the Declarant.

Section 2. Term of Office. The Board of Directors beginning at the first annual meeting shall be divided into three (3) classes of membership as nearly equal in number as possible, with the term of office of one class expiring each year. The Directors shall be determined as provided in the Articles of Incorporation. There shall be no cumulative voting in any election of Directors.

Section 3. Resignation or Removal. A Director may resign at any time by delivering written notice to the Board of Directors, its Chairman, if any, the President or the Secretary. The resignation is effective upon delivery of the notice unless the notice specifies a later date. Any director may be removed from the Board, with or without cause, by a majority of the votes of the Members of the Association. In the event of death, resignation or removal of a single Director, the Director's successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor. If more than one vacancy occurs at the same time, successor Directors shall be

selected through Special Election by the Members of the Association to serve for the unexpired term of their predecessors. A vacancy that is to occur at a later date may be filled before the vacancy occurs but the new Director may not take office until the vacancy occurs.

Section 4. Compensation. No Director shall receive compensation for any service the Director may render to the Association in his or her capacity as such, but the fact that a person is a Director shall not disqualify that person from receiving compensation for services actually rendered to the Association at its request. Furthermore, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting subject to procedural rules adopted by the Board. Such rules shall not be established so as to exclude any Member desiring to be a candidate or desiring to submit the name of a candidate from so doing. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until

the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the plurality of votes shall be elected. Cumulative voting is not permitted.

#### ARTICLE VI

##### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, without notice, at such place and hour as may be fixed from time to time at least one (1) week in advance by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 5. Notice. Notice shall be in writing except that oral notice of any meeting of the Board may be given if communicated directly to the Director(s) to whom it is to be given.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities (including the Association's recreation facilities, if any), and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the Association's recreational facilities of a Member during any period in which such Member shall be in default in the payment

of any assessment levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in, delegated to or available by law to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and all corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth ( $\frac{1}{4}$ ) of the Class A Members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the due date therefor; and

(3) send written notice of failure to pay an assessment to every Owner subject thereto within thirty (30) days after due date, and thereafter to bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the Lot(s) affected, subject to rights of Mortgagees as provided in the Declaration;

(d) issue or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association, unless not economically feasible;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be reasonably maintained; and

(h) approve an annual budget.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall at all times be a member of the Board of Directors, a secretary and a treasurer. The Board may also choose to elect a vice president, who shall at all times be a member of the Board of Directors.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified



therein the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of president and secretary, secretary and treasurer, or vice president and treasurer may be held by the same person while there remain Class B Members. Upon the expiration of the Class B membership, only the offices of secretary and treasurer may be held by the same person. During both periods referenced herein, no person shall simultaneously hold more than one of any of the other offices other than those specified herein except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes and checks from such accounts as the Board may from time to time determine. The president shall make appointments of Committee Chairman of all Standing Committees.

Vice-President (if any)

(b) The vice-president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall cause the disbursement of such funds as directed by resolution of the Board of Directors; shall co-sign all promissory notes and checks from such accounts as the Board may from time to time determine; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall be the chief officer responsible for the preparation of an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

Section 9. Liability of Officers, Directors and Architectural Control Committee Members. The officers and directors, and members of the Architectural Control Committee when acting or having acted in their capacities as members of said Committee, shall not be liable to any Owner or the Association for any good faith mistake of judgment or negligence. The Association shall indemnify and hold harmless said officers and directors as set forth in the Articles of Incorporation and any restatement thereof. The Association shall indemnify and hold harmless each of the members of the Architectural Control Committee from and against all liability to others arising out of the due exercise of their responsibilities.

ARTICLE IX  
COMMITTEES

The Board of Directors shall appoint a Nominating Committee as provided in these By-Laws and an Architectural Control Committee as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X  
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office

of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, the Members are obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. The due date for each assessment shall be the first day of each month (or the first day of each assessment period, if assessments are paid on other than a monthly basis). Any assessments which are not paid when due shall be delinquent. Any assessment not paid within thirty (30) days after the due date shall accrue a late charge from the date of delinquency in the amount of six percent (6%) of such delinquent assessment, or such other amount as may be established by the Board from time to time; and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property (subject to the rights of Mortgagees as provided in the Declaration), and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of the Member's Lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Arrowood Homeowners' Association.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of each class of Members; provided, however, that so long as there are Class B Members, such amendment shall require the approval of the VA or FHA. Notwithstanding anything contained herein to the contrary, the Class B Member may unilaterally amend these By-Laws for any reason, at any time prior to the conveyance of any Common Area to the Association, and, thereafter, to correct any defects required to be corrected by the FHA or VA.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these ByLaws, the Declaration shall control.

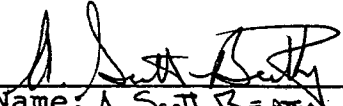
ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall end on the 31st day of December of every year.

IN WITNESS WHEREOF, the undersigned President of the Association, for and on behalf of the Board of Directors, does

hereby ratify and confirm that the foregoing are the By-Laws of the Association as of the 17<sup>th</sup> day of February, 1992.

  
Name: A. Scott Beatty  
President


CERTIFICATION

I, the undersigned, do hereby certify:

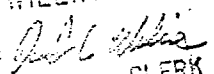
THAT I am the duly elected and acting secretary of Arrowood Homeowners' Association, a Virginia non-stock corporation; and

THAT the foregoing Amendment and Supersedure of By-Laws constitute the full and complete By-Laws of said Association as duly adopted at a meeting of the Board of Directors held on the 17<sup>th</sup> day of February, 1992.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 13<sup>th</sup> day of February, 1992.

  
Name: William B. Kremers  
Secretary

02/12/92  
0714KMW

RECORDED W/CERTIFICATE ANNEXED  
92 FEB 21 AM 11:01  
PRINCE WILLIAM CO., VA  
TESTE:   
CLERK