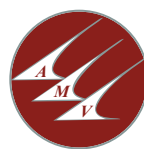


New Town Meadows HOA

Appendix 2 §55.1-2310.A.2.



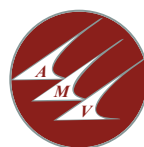
AMERICAN MANAGEMENT

OF VIRGINIA

The governing documents and any rules and regulations of the association are required to be disclosed under §55.1-2310.A.2. of the Resale Disclosure Act.

New Town Meadows HOA

Annual Registration/CICB Certificate



AMERICAN MANAGEMENT

OF VIRGINIA

COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400; Richmond, VA 23233
Telephone: (804) 367-8500

EXPIRES ON
11-30-2024

NUMBER
0550005405

COMMON INTEREST COMMUNITY BOARD
COMMON INTEREST COMMUNITY ASSOCIATION REGISTRATION



NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION,
INC
KATHY MCCORMICK
AMERICAN MANAGEMENT OF VIRGINIA, INC.
7900 SUDLEY ROAD SUITE 600
MANASSAS, VA 20109



Kishore S. Thota
Kishore S. Thota, Director

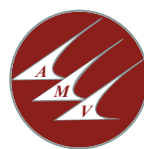
Status can be verified at <http://www.dpor.virginia.gov>

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (02/2017)

New Town Meadows HOA

Articles of Incorporation



AMERICAN MANAGEMENT

OF VIRGINIA

ARTICLES
OF
INCORPORATION

THEODORE V. MORRISON, JR.
CHAIRMAN

CLINTON MILLER
COMMISSIONER

MARK C. CHRISTIE
COMMISSIONER

COMMONWEALTH OF VIRGINIA



JOEL H. PECK
CLERK OF THE COMMISSION
P.O. BOX 1197
RICHMOND, VIRGINIA 23218-1197

STATE CORPORATION COMMISSION
Office of the Clerk

September 10, 2004

KATHLEEN HILL
REEDSMITH
3110 FAIRVIEW PARK DR STE 1400
FALLS CHURCH, VA 22042-0681

RE: New Town Meadows Homeowners Association
ID: 0623557 - 6
DCN: 04-09-10-0046

Dear Customer:

This is your receipt for \$75.00, to cover the fees for filing articles of incorporation with this office.

The effective date of the certificate of incorporation is September 10, 2004.

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, 1-866-722-2551.

Sincerely,

Joel H. Peck
Clerk of the Commission

CORPRCPT
NEWCD
CIS0436

Tyler Building, 1300 East Main Street, Richmond, VA 23219-3630
Clerk's Office (804) 371-9733 or (866) 722-2551 (toll-free in Virginia) www.state.va.us/scc/division/clk
Telecommunications Device for the Deaf-TDD/Voice: (804) 371-9206

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, September 10, 2004

This is to certify that the certificate of incorporation of

New Town Meadows 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 Virginia laws applicable to the corporation and its business. Effective date: September 10, 2004



State Corporation Commission

Attest:

Joel Heck
Clerk of the Commission

ARTICLES OF INCORPORATION
 FOR
 NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION
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ARTICLES OF INCORPORATION
FOR
NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION

ARTICLE 1

NAME

The name of this corporation is New Town Meadows Homeowners Association, which is hereby incorporated as a nonstock corporation pursuant to Chapter 10 of Title 13.1 of the Code of Virginia (1950), as amended ("Act"). The duration of the corporation is perpetual.

ARTICLE 2

INTERPRETIVE PROVISIONS

Section 2.1. Definitions. Terms used herein without definition shall have the meanings specified for such terms in section 13.1-803 of the Act. Capitalized terms used herein or in the Bylaws shall have the meanings specified for such terms below.

- (1) "Additional Land" means the land so designated in Exhibit B to the Declaration, as amended from time to time, which the Declarant may submit to the Declaration and to the jurisdiction of the Association pursuant to 4.1 of the Declaration.
- (2) "Articles of Incorporation" means these Articles of Incorporation for the Association filed with the Virginia State Corporation Commission, as amended from time to time.
- (3) "Assessments" means the sums levied against the Lots to pay Common Expenses as provided in Article 6 the Declaration.
- (4) "Association" means New Town Meadows Homeowners Association and, with respect to the rights and obligations of the Association set forth in the Declaration, its successors and assigns.
- (5) "Association Documents" means collectively these Articles of Incorporation, the Declaration, Supplementary Declarations and the Bylaws, all as amended from time to time. Any exhibit, schedule, certification or amendment to an Association Document is an integral part of that document.
- (6) "Board of Directors" or "Board" means the executive and administrative entity established by Article 5 of these Articles of Incorporation as the governing body of the Association.

- (7) "Builder" means a Person who regularly in the business purchases a portion of the Submitted Land for the purpose of constructing improvements for resale or rental.
- (8) "Bylaws" means the Bylaws of the Association, as amended from time to time.
- (9) "Common Area" means, at any given time, all of the Property (other than Lots) then owned by the Association and available to the Association for the benefit, use and enjoyment of the Owners.
- (10) "Common Easement Area" means at any given time, all of the Property available to the Association by easement or similar instrument for the benefit or use of the Owners; provided, however, that land within the Property is not Common Area solely because it is burdened by an easement for utilities, landscaping, storm water management or signage or dedicated as a public street or roadway even though the Association may maintain such areas. A portion of the Common Easement Area which the Association has the right to use and/or maintain such as Trails, alleys, sidewalks, storm water management lakes or otherwise for the benefit of the Owners may be located within a Lot. For the purposes of jurisdiction, Upkeep, operation and control, such portion of the Lot shall be treated as Common Area; for purposes of ownership, such portion shall be part of the Lot and shall be included in the calculation of voting rights and assessments.
- (11) "Common Expenses" means all expenses incurred by or on behalf of the Association, together with all sums determined by the Board of Directors to be reasonably necessary for the creation and maintenance of reserves pursuant to the provisions of the Association Documents. Except when the context clearly requires otherwise, any reference to Common Expenses includes Limited Common Expenses.
- (12) "Covenants Committee" means the committee that may be established pursuant to Article 9 of the Declaration to assure that the Property will be maintained in a manner consistent with the purposes and intents of the Declaration.
- (13) "Declarant" means Lovettsville Development Partners, LLC, a Virginia limited liability company. Following recordation of an instrument assigning to another Person all or some of the rights reserved to the Declarant under the Association Documents pursuant to Section 5.2 of the Declaration, the term "Declarant" shall mean or include that assignee.
- (14) "Declaration" means the Declaration for New Town Meadows made by the Declarant and recorded among the Land Records. The term Declaration shall include all amendments thereto and, except when the context clearly requires otherwise, all Supplementary Declarations.
- (15) "Development Period" means the period of time that the Declarant is or Builders are engaged in development or sales or activities relating thereto anywhere on the Property or the Additional Land and the Declarant is entitled to exercise certain "Special Declarant Rights" under the Association Documents. Special Declarant Rights are described in Article 5 the Declaration. When all the Submitted Land is owned by Owners other than the Declarant (or a lender

holding Special Declarant Rights) or a Builder and all the Additional Land is owned by Owners other than the Declarant and all bonds held by a governmental agency with respect to the Property and the Additional Land have been released, then the Development Period shall end.

(16) "Development Plan" means the general development or site plan or plans for the Submitted Land dated November 19, 2003 approved by authorized officials of the Town of Lovettsville, Virginia, as amended from time to time. "Proffers" means the restated proffers contained in that certain Settlement Agreement dated May 14, 2002 between Mountain Venture Partnership, Lovettsville II, James P. Campbell, Trustee, Declarant and the Town, which are applicable to the Property or the Additional Land as approved by the Town of Lovettsville, Virginia and as amended from time to time. Although the Declarant intends to develop the Submitted Land and the Additional Land substantially in accordance with the Development Plan and the Proffers, the Declarant reserves the right to modify the Development Plan and the Proffers subject to the requirements and procedures of the Town.

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

(18) "Limited Common Expenses" means expenses incurred by the Association and benefiting one or more but less than all of the Owners and assessed against the Lots owned by the Owners benefited pursuant to Paragraph (2) of Subsection 6.2(a) of the Declaration.

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

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

(21) "Mortgagee" means an institutional lender (one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds or business trusts, including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities) holding a first mortgage or first deed of trust ("Mortgage") encumbering a Lot which has notified the Board of Directors of its status in writing pursuant to

Section 13.2 of the Declaration and has requested all rights under the Association Documents. Only for purposes of the notice and inspection rights in Articles 13, 14 and 15 of the Declaration, the term "Mortgagee" shall also include the Federal Housing Administration (FHA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), the Department of Veterans Affairs (VA), the Government National Mortgage Association (GNMA) and any other public or private secondary mortgage market agency participating in purchasing, guaranteeing or insuring Mortgages which has notified the Board of Directors of such participation in writing ("Secondary Mortgage Market Agencies"). Where the approval of a Mortgagee or Secondary Mortgage Market Agency is required, such approval means: (i) written approval; (ii) any written waiver of approval rights; (iii) a formal letter stating no objection; or (iv) presumptive approval if a Mortgagee or Secondary Mortgage Market Agency does not respond to a notice by certified or registered United States mail, return receipt requested, within thirty days after the date the request for approval is transmitted in accordance with the notice requirements of Article 10 of the Bylaws and Sections 13.2 and 14.4 of the Declaration.

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

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

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

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

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

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

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

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

Section 2.2. Construction of Association Documents.

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

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

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

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

ARTICLE 3

PURPOSES AND LIMITATIONS

The Association does not contemplate pecuniary gain or profit to the Owners. No part of any net earnings shall be paid to any director, Officer or Owner, and as such they will have no interest in or any title to any of the property or assets of the Association except in accordance with the provision herein relating to dissolution. Nothing shall prohibit the Association from reimbursing its directors and Officers for services performed or for all reasonable expenses incurred in performing services for the Association. The purposes for which the Association is organized are to:

(1) provide for the Upkeep of the Common Area and, to the extent provided in the Association Documents, of the Lots;

(2) establish and administer the architectural, landscaping and maintenance standards governing the Property;

(3) promote and provide for the health, safety, convenience, comfort and the general welfare of the Owners of the Lots and the occupants of the Property;

(4) impose, collect and disburse dues and Assessments in accordance with the provisions of the Declaration;

(5) exercise all other powers and perform all duties and obligations of the Association as set forth in the Association Documents; and

(6) exercise the powers now or hereafter conferred by law on Virginia nonstock corporations as may be necessary or desirable to accomplish the purposes set forth above.

ARTICLE 4

MEMBERSHIP AND VOTING

Section 4.1. Membership. Members of the Association shall at all times be, and be limited to, the Declarant (during the Development Period) and the Persons who constitute Owners of the Lots. If more than one Person owns a Lot, then all of the Persons who own such Lot shall collectively constitute one Owner and be one member of the Association. The Declarant and each such Person is entitled to attend all meetings of the Association. Membership in the Association is mandatory and automatic with ownership of a Lot.

Section 4.2. Classes of Owners; Voting Rights.

(a) Classes; Voting Rights. The Association shall have the following classes of Owners:

The Class A Owners shall be the Owners of Lots other than the Declarant or a Builder during the Declarant Control Period. A Class A Owner shall have one vote for each Lot owned by such Owner.

The Class B Owner shall be the Declarant. During the Declarant Control Period, the Class B Owner shall have 230 votes (a number equal to one and one-half times the total maximum number of votes which would be appurtenant to all the Lots that could be created when the Submitted Land and any Additional Land are fully developed) less the number of votes held by the Class A Owners when a vote is taken. If the Declaration is amended from time to time to include additional land that was not originally described on Exhibits A and B to the Declaration when the Declaration was recorded or the Development Plan is amended to increase the maximum number of single family dwellings permitted on the Additional Land, then the number of votes of the Class B Owner described above shall be increased by one and one-half times the number of votes that would be appurtenant to any additional Lots that could be created on such land if such land were fully developed under the applicable zoning and submitted to the Declaration.

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

Any Person qualifying as a member of more than one voting class may exercise those votes to which such Person is entitled for each such class provided, however, that such Person shall not simultaneously have more than one class of vote for the same Lot.

(b) Additional Provisions Governing Voting. Additional provisions governing voting rights and procedures shall be as set forth in Article 3 of the Bylaws.

Section 4.3. Required Vote. A Majority Vote of the Owners shall be necessary for the adoption of any matter voted upon, except as otherwise provided in the Association Documents. Directors shall be elected as provided in Article 5. The Bylaws shall be amended only in accordance with the terms thereof. The Association is also bound by the requirements set forth in the Declaration and shall not take any action in violation thereof. Voting shall not be conducted by class, unless specifically stated otherwise.

Section 4.4. Cumulative Voting. There shall be no cumulative voting.

ARTICLE 5

BOARD OF DIRECTORS

Section 5.1. Initial Directors. The three initial directors of the Association are Gary C. Hill, Katherine Eppeson, and K. C. Creighton, whose business address is 7700 Brickyard Road, Potomac, Maryland 20854. The initial directors shall serve until their successors are elected in accordance with Section 5.2. The Class B Owner shall be entitled to remove and replace the initial directors at will.

Section 5.2. Election of Directors and Term of Office

(a) Declarant-Controlled Board of Directors. The initial Board of Directors consists of three Persons; thereafter, the number of directors may be increased to not more than five directors pursuant to this section and Section 4.4 of the Bylaws. Except as provided in this section, all directors shall be elected by the Class B Owner who shall elect, remove and replace such directors at will, and designate the terms thereof, until the meeting described in Subsection 5.2(b) at which all Owners with voting rights are entitled to elect a majority of the directors.

The term of office of at least one but less than three of the directors elected by the Class B Owner at the first election of directors shall expire at the third annual meeting following their election, the term of office of at least one but less than three of the directors shall expire at the second annual meeting and the term of office of at least one but less than three of the directors shall expire at the first annual meeting following their election. The actual number of directors whose

term of office expires at each of the three annual meetings described in the preceding sentence shall be one-third (or a number as near to one-third as possible) of the total number of directors. Thereafter, each director shall serve for a three-year term. If the aggregate number of directors is changed, terms shall be established so that one-third (or a number as near to one-third as possible) of the total number of directors is elected each year.

(b) Owner-Controlled Board of Directors. At the first annual meeting of the Association following the end of the Declarant Control Period or at any special meeting called by the Class B Owner to transfer control of the Board of Directors, the number of directors shall be increased to five and all but two of the directors elected by the Class B Owner shall resign. During the Development Period, the Class B Owner shall have the right to elect, remove and replace two directors. The remaining directors shall be elected by all Owners having voting rights (including the Declarant). After the Class B membership has expired, the two Board positions previously voted upon solely by the Class B Owner shall be voted upon all Owners having voting rights.

Persons elected shall serve for the remainder of the terms of the directors replaced, or if no resignation was required, for the terms of office necessary so that the term of office of one-third (or a number as near to one-third as possible) of the directors shall expire at the first three annual meetings after their election. The directors receiving the greatest vote shall be elected for the longest available terms. All successor directors shall be elected to serve for staggered terms of three years unless elected to fill a vacancy in which case such director shall serve as provided in Section 5.6. Except for death, resignation or removal, the directors shall hold office until their respective successors shall have been elected. If an election is not held when required, the directors holding over shall have the authority and power to manage the business of the Association until their successors are duly elected.

Section 5.3. Qualifications; Election Procedures

(a) Qualifications. No person shall be eligible for election as a director unless such person is an Owner, an Owner's spouse, the Declarant (or a designee of the Declarant) or a Mortgagee in possession (or a designee of a Mortgagee in possession). No Class A Owner shall be elected as a director or continue to serve as a director if such Owner is more than sixty days delinquent in meeting financial obligations to the Association.

(b) Nominations. Persons qualified to be directors may be nominated for election only by a nominating petition submitted to the Secretary at least twenty-five days before the meeting at which the election is to be held. The nominating petition must be signed by three other Owners and either signed by the nominee or accompanied by a document signed by the nominee indicating the willingness to serve as a director; provided, however, that additional nominations may be made from the floor at the meeting at which the election is held for each vacancy on the Board of Directors for which no more than one Person has been nominated by petition. The nominee must either be present and consent to the nomination or have indicated in writing the willingness to serve.

(c) Elections Committee. Prior to each meeting of the Association at which the directors are elected by Owners other than the Class B Owner, the Board of Directors shall appoint

an Elections Committee consisting of one director whose term is not then expiring and at least two other persons who are not directors. The Elections Committee shall develop election procedures and administer such procedures as are approved by the Board providing for election of directors by ballot of the Owners at annual meetings and, where appropriate, special meetings.

(d) Declarant Control Period. Notwithstanding any other provision of this section, during the Declarant Control Period, the Board of Directors may waive or modify any requirements under this section.

Section 5.4. Action by Board of Directors. At all meetings of the Board of Directors a majority of the total number of directors shall constitute a quorum for the transaction of business. A Majority Vote of the directors while a quorum is present shall constitute a decision of the Board of Directors, unless otherwise provided in the Act, these Articles of Incorporation or the Bylaws. The Board of Directors may not mortgage, pledge or dedicate to the repayment of indebtedness or otherwise transfer, convey or encumber any or all of the Association property without the approval of the Owners and Mortgagees as required by Section 14.4 of the Declaration.

Section 5.5. Removal or Resignation of Directors. Except with respect to initial directors, directors elected by the Declarant as the Class B Owner and replacements thereof, at any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by Owners entitled to cast a majority of the total number of votes and a successor may then and there be elected to fill the vacancy thus created; provided, however, that if the director to be removed represents a specific class of Owners, then the vote for removal by Owners of such class must be greater than the vote against removal by the Owners of such class. Any director whose removal has been proposed by the Owners shall be given at least ten days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. The notice given to Owners of such meeting shall state that one of the purposes of the meeting is to remove such director.

A director may resign at any time by giving notice to the Board of Directors, the President or the Secretary. Unless otherwise specified, such resignation shall take effect upon the receipt thereof and the acceptance of such resignation shall not be necessary to make it effective. Except for initial directors and directors elected solely by the Declarant as to the Class B Owner, a director shall be deemed to have resigned upon disposition by the Owner of the Lot which made such person eligible to be a director, or if such director is not in attendance at three consecutive regular meetings of the Board without approval for such absence, and the minutes reflect the director's resignation pursuant to this section. The Declarant as the Class B Owner may remove and replace any initial director or director elected solely by the Class B Owner.

Section 5.6. Vacancies. Vacancies on the Board of Directors caused by any reason other than: (i) the removal of a director by the Owners or (ii) resignation or removal of an initial director, or director elected by the Declarant as the Class B Owner shall be filled by a Majority Vote of the remaining directors at the meeting of the Board held for such purpose promptly after the occurrence of such vacancy or, if the directors remaining in office constitute fewer than a quorum, an affirmative vote of the majority of the directors remaining in office even though the directors present at such

meeting constitute less than a quorum. Each person so elected shall be a director until a successor shall be elected at the next annual meeting of the Association. Vacancies caused by removal of a director by the Owners shall be filled by a vote of the Owners, pursuant to Sections 4.2 and 5.5, and the successor director shall serve the remainder of the term of the director being replaced. The Declarant as the Class B Owner shall designate the successor to an initial director or any director elected, appointed or nominated by the Declarant. The term of the replacement directors shall expire so that the staggered terms shall remain unaffected.

ARTICLE 6

INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association is located in Fairfax County at 3110 Fairview Park Drive, Suite 1400, Falls Church, Virginia 22042, at which office the initial registered agent of the Association is Robert M. Diamond, who meets the requirements of section 13.1-833 of the Act by reason of the fact that he is a resident of Virginia and Member of the Virginia Bar whose business address is identical with that of the registered office.

ARTICLE 7

AMENDMENT

These Articles may be amended if the amendment is adopted by at least a Sixty-seven Percent Vote of the Owners, pursuant to section 13.1-886 of the Act; including a majority of the votes of the Class B Owner, if any. No amendment to these Articles may diminish or impair the rights of the Declarant without the prior written consent of the Declarant. The Association shall take no action to amend the Articles of Incorporation in violation of Section 14.4 of the Declaration.

ARTICLE 8

DISSOLUTION

The Association may be dissolved if the resolution to dissolve is adopted by Owners entitled to cast at least sixty-seven percent of the total number of votes pursuant to section 13.1-902 of the Act. Further, the Association may not be dissolved without the prior written approval of the Declarant during the Development Period. Upon termination of the Declaration and the dissolution of the Association other than incident to a merger or consolidation, the assets of the Association shall be granted, conveyed and assigned to another nonprofit corporation, association, trust or other organization or governmental agency devoted to purposes similar to those for which the Association was created; provided, however, that if a site plan is approved for the Property, or any portion thereof containing Common Area, which changes the design, layout or use of the Property in such a manner that the Common Area is no longer necessary to the new design, layout or use, then such Common Area and other associated assets of the Association may be distributed as agreed upon by Owners entitled to cast at least sixty-seven percent of the total number of votes of the Owners. The

Association shall take no action to dissolve the Association or transfer Common Area except in accordance with Section 14.4 of the Declaration. This Article may not be amended without the prior written approval of Fifty-one Percent of the Mortgagees.

IN WITNESS WHEREOF, the incorporator of the Association has signed these Articles of Incorporation on September 9, 2004.



Incorporator

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, SEPTEMBER 10, 2004

The State Corporation Commission has found the accompanying articles submitted on behalf of
New Town Meadows Homeowners Association

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it
is ORDERED that this

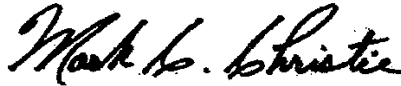
CERTIFICATE OF INCORPORATION

be issued and admitted to record with the articles of incorporation in the Office of the Clerk of
the Commission, effective September 10, 2004.

The corporation is granted the authority conferred on it by law in accordance with the articles,
subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By



Commissioner

CORPACPT
CIS0436
04-09-10-0046

Commonwealth of Virginia



State Corporation Commission

I Certify the Following from the Records of the Commission:

The foregoing is a true copy of all documents constituting the charter of New Town Meadows Homeowners Association on file in the Clerk's Office of the Commission.

Nothing more is hereby certified.

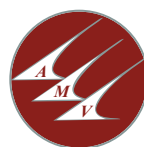


*Signed and Sealed at Richmond on this Date:
September 15, 2004*

Joel H. Peck
Joel H. Peck, Clerk of the Commission

New Town Meadows HOA

Architectural Guidelines/Handbook



AMERICAN MANAGEMENT
OF VIRGINIA

**NEW TOWN MEADOWS
HOMEOWNERS
ASSOCIATION**

DESIGN GUIDELINES

A MANUAL FOR
NEW TOWN MEADOWS HOMEOWNERS

Revised July 13, 2012

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION

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PURPOSE OF THE MANUAL

The primary purpose of this manual is to familiarize homeowners at New Town Meadows with the objectives, scope and application of design standards and guidelines which are intended and will be employed to maintain the aesthetic appearance and environmental quality of the New Town Meadows community. Familiarity with the design standards and guidelines should assist homeowners in the preparation of applications for modifications to their homes or lots which are consistent with the guidelines and therefore approvable.

The manual enumerates specific design standards and guidelines which have been adopted by the Board of Directors of the New Town Meadows Homeowners Association. It also explains the application and review process which must be adhered to by homeowners seeking approval for any exterior modifications or changes to their homes or lots which are subject to approval by the Association.

This manual will serve as a valuable reference source and will assist homeowners in preparing acceptable applications for review by the Association's Covenants Committee. All homeowners are encouraged to familiarize themselves with its contents and to retain the manual for future use.

BASIS FOR AND OBJECTIVES OF PROTECTIVE COVENANTS

The legal documents for the New Town Meadows Homeowners Association contain covenants and use restrictions, including those pertaining to design standards. Legally, these covenants are a part of the deed for each home and are binding upon all initial homeowners and their successors in ownership, irrespective of whether or not the owners are familiar with such covenants.

The primary purpose of design covenants is to maintain environmental and architectural design standards for the entire community. The promulgation and enforcement of design standards is intended to achieve the following objectives:

Maintain consistency with the overall design concept for the community;

Promote harmonious architectural and environmental design qualities and features;

Promote and enhance the visual and aesthetic appearance of the community.

The enforcement of design standards not only enhances the physical appearance of a community but protects and preserves property values. Homeowners who reside in association communities which enforce design covenants are protected from actions of neighbors which can detract from the physical appearance of the community and, in some cases, diminish property values. In fact, surveys of homeowners living in association communities consistently reveal that this was an important consideration in their decision to purchase a home.

ROLE AND AUTHORITY OF THE COVENANTS COMMITTEE

All homeowners at New Town Meadows are automatically members of the New Town Meadows Homeowners Association. The Association is a non-stock corporation which owns and is responsible for the upkeep and maintenance of all common properties within the community.

The Association is also responsible for the administration and enforcement of all covenants which are applicable to property owners, including design standards and restrictions. The Declaration of Covenants, Conditions and Restrictions for the Association (Article 9) provides that responsibility for the enforcement of design standards shall be exercised through a Covenants Committee, the members of which shall be appointed by the Board of Directors of the Association.

The Covenants Committee is to consist of three or more persons appointed by the Board of Directors. Since the Association's legal documents provide that the Developer may maintain control of the Board of Directors during most of the development phase of the community, there may initially be overlapping membership for the Board of Directors and the Covenants Committee.

The Committee is responsible for enforcing the Association's Design Guidelines with respect to exterior modifications to homes and lots proposed by lot owners. The Committee does not have approval authority over initial construction by the Developer or any Participating Builder. The Committee shall review and approve (or disapprove) applications submitted by lot owners for visible exterior additions, alterations or modifications to a home or lot. The review process shall be governed by the Design Guidelines promulgated by the Association's Board of Directors.

As part of its responsibilities, the Covenants Committee will make recommendations to the Board of Directors with respect to the modification of the Design Guidelines initially approved by the Board. The Committee will also be responsible for reviewing possible violations of the Association's Design Guidelines, as well as violations of the Association's legal documents and rules and regulations.

It is the home owner applicant's responsibility to obtain the required Town, County or other jurisdictional approvals or permits for any work or modifications that may be done to the existing improvements. The granting of approval of an application submitted to the Covenants Committee does not eliminate the need to obtain the required jurisdictional approvals.

**ALTERATIONS REQUIRING REVIEW AND APPROVAL
BY THE COVENANTS COMMITTEE**

Essentially, all changes, permanent or temporary, to the exterior appearance of a building or lot are subject to review and approval by the Covenants Committee. The review process is not limited to major additions or alterations, such as adding a room, deck, or patio. It includes such minor items as changes in color and materials. Approval is also required when an existing item is to be removed.

There are a number of exceptions to this otherwise inclusive review requirement.

1. Building exteriors may be repainted or restained provided that there is no color change from the original. Similarly, exterior building components may be repaired or replaced so long as there is no change in the type of material and color.
2. Minor landscape improvements will also not require an application. This includes foundation plantings, or single specimen plantings. In general, landscape improvements of a small scale which do not materially alter the appearance of the lot, involve a change in topography or grade and which are not of sufficient scale to constitute a natural structure will be exempt from the design review process.
3. There are several modifications referenced in the Design Guidelines where approval is not required, provided that the modification conform to the Design Guidelines. For example, installation of a storm door which conforms to the Design Guidelines does not require prior approval.

If there is any doubt as to whether or not a proposed exterior change is exempt from design review, and approval, homeowners should first seek clarification from the Covenants Committee before proceeding with the improvement.

DESIGN REVIEW CRITERIA

In reviewing applications for modifications, additions or improvements to homes and lots, the Covenants Committee will examine the conformance of applications to the adopted Design Guidelines and Standards, as well as any covenants or use restrictions in the recorded Declaration. There will be instances where applications are approvable or not based on specific permitted or prohibited actions or uses. For example, an application to install a chain link fence will not be approved, since this type of fencing material is prohibited by both the Declaration and the Design Guidelines.

However, the Design Guidelines cannot envision every type of improvement for which an application may be submitted and, as such, there must be latitude for the Covenants Committee to review applications based on certain criteria. Judgments of acceptable design are based on the criteria listed below which, depending on the particular application, may not be all inclusive. The latitude to evaluate applications based on appropriate design criteria shall not result in the imposition of personal opinion or taste by the Covenants Committee. However, it does mean that the Covenants Committee will evaluate each application based on its individual merits and specific circumstances, such as characteristics of the housing style, the individual site and relationship to environmental features. As such, what may constitute an acceptable design and approvable application in one case may not in another.

1. Relation to Environmental Conditions and Community Open Space — Harmony of a design with its surrounding natural environment is an important factor. Fencing, in particular, can have damaging effects on open space. Other factors, such as the removal of trees, disruption of the natural topography, vegetation and changes in rate or direction of storm water run-off, also adversely affect the environment in terms of aesthetics or functionality.
2. Validity of Concept — The basic idea must be sound and appropriate to its surroundings.
3. Design Compatibility — The proposed improvements must be compatible with the architectural characteristics of the applicant's house, adjoining houses, and the neighborhood setting. Compatibility is defined as similarity in architectural style, quality of workmanship, similar use of materials, color and construction details.
4. Location and Impact on Neighbors — The proposed alternation should relate favorably to the landscape, the existing structure and the neighborhood. The primary concerns are access, view, sunlight, ventilation, and drainage. For example, fences may obstruct views, breezes, airflow or access to neighboring property; decks or larger additions may cause unwanted shadows on adjacent patios or infringe on a neighbor's privacy and view. For another example, an inappropriate "clutter" of play equipment or an "ill-planned" landscape scheme may also affect existing neighbors.
5. Scale — The size (in three dimensions) of the proposed alteration should relate well to adjacent structures and its surrounds. For example, a large addition to a small house may be inappropriate.
6. Color — Color may be used to soften or intensify visual impact. Parts of an addition that are similar in design to an existing house, such as roofs and trim, should match in color and composition. A sample board of exterior materials, finishes, and colors may be required as the sole discretion of the Covenants Committee.
7. Materials — Continuity is established by use of the same or compatible materials as were used in the original house. The options may be limited somewhat by the design and materials of the original house. For instance, vertical wood siding on the original house should be retained on an addition. On the other hand, an addition with wood siding may or may not be compatible with a brick house.
8. Permits — It is the responsibility of each applicant to obtain a building permit where required and comply with Town and County codes and regulations.

APPLICATION AND REVIEW PROCEDURES

Application and review procedures which will be used by the Covenants Committee are detailed below.

1. Applications. All applications for proposed improvements must be submitted in writing using the application form authorized by the Covenants Committee. A copy of this form is included as an exhibit to this manual. Applications must be complete in order to commence the review process. Incomplete applications will be returned to the applicant with a statement of deficiencies which must be remedied in order to be considered for review.

Homeowners can send applications to the following addresses:
New Town Meadows Homeowners Association, Inc.
c/o Horizon Community Services, AAMC®
P.O. Box 2070
Purcellville, VA 20134-2070

Or via scan and email to
ntmhoa@horizoncommunityservices.com

2. Supporting Documentation. The application must include a complete and accurate description of the proposed improvement(s) in order to permit evaluation by the Covenants Committee, supporting exhibits will frequently be required. Examples include: a site plan showing the location and dimensions of the proposed improvement; architectural drawings or plans, as applicable; landscape plan; material and/or color samples, etc. The design guidelines and application form provide guidance with respect to the supporting documentation required for various types of improvements.
3. Time Frame for Completion of the Review. The Covenants Committee is required to approve or disapprove any proposed improvement within sixty (60) days after the receipt by the Committee of a properly completed application. However, the review period will only commence upon the receipt of a complete application form, including any required exhibits. It is therefore advisable for homeowners contemplating substantial improvements to first ensure that they are aware of all required supporting documentation prior to submitting a design review application. In the event that the Committee fails to act within the sixty (60) day period, the application shall be submitted to the Board of Directors at the written request of the applicant for a decision. In the event that the Board of Directors fails to act within thirty (30) days from the date of receipt of the written request to the Board from the applicant, the application shall be deemed approved.
4. Notice of Approval/Disapproval. Homeowners who have submitted design review applications will be given written notice of the decision of the Covenants Committee.

5. Appeals Procedure. Homeowners who have submitted design review applications may appeal decisions of the Covenants Committee to the Covenants Committee and the Board of Directors.

An applicant whose application has been denied or modified by the Covenants Committee may request reconsideration by the Committee if new or additional information which might clarify the application or demonstrate its acceptability can be provided. A request for reconsideration must be submitted in writing within ten (10) days following a decision by the Covenants Committee. An applicant must request such reconsideration by the Covenants Committee before the applicant may appeal a decision to the Board of Directors. The Covenants Committee shall respond to a request for reconsideration of a decision within thirty (30) days from the date of receipt of such request.

A homeowner may appeal a decision of the Covenants Committee by submitting a written request to the Board of Directors within ten (10) days after the date of an action by the Covenants Committee. This request should include any new or additional information which might clarify the requested change or demonstrate its acceptability. The Board may, at its discretion, conduct an informal hearing related to the appeal. Such hearing must be convened at the next scheduled meeting of the Board of Directors which occurs more than ten (10) days after receipt of the appeal by the Board. The Board of Directors must consider an appeal and respond in writing to the applicant within seventy-five (75) days following the receipt of an appeal.

ENFORCEMENT PROCEDURES

The Declaration and Bylaws of the Association empower the Covenants Committee and the Board of Directors to enforce compliance with the Association's Design Guidelines. The following enforcement procedures will be used to ensure compliance.

1. A violation may be observed and reported to the Management Company by a member of the Committee, the Board of Directors, the managing agent, or a homeowner. In the case of homeowners wishing to report a potential violation, a written notification should be transmitted to the Association's managing agent.
2. The alleged violation will be confirmed by a site visit by a member of the Covenants Committee or the managing agent.
3. The management agent will contact the resident in violation by letter advising them of the violation and requesting appropriate action to remedy the violation. Notice will be sent by certified mail where the violation is deemed to involve an immediate emergency or where such violation, if not remedied, will increase or enhance with the passage of time.
4. If the violation continues for thirty (30) days after notification to the resident in violation (or if no substantial progress is made in curing the violation, where such remedy would require more than thirty days) a letter will be sent by certified mail to the resident in violation. This letter will provide notice that the violation must be remedied within fifteen days from the date of mailing of the letter (or alternatively, that the resident in violation must submit to the management agent a written plan, including timing, for the abatement of the violation within a reasonable period of time, where such violation cannot be cured within the fifteen day period).
5. If the violation is not abated within fifteen (15) days from the date of mailing of the certified letter (or if progress is not being made to abate such violation in accordance with a plan agreed to by the resident in violation and the Covenants Committee) the management agent will send the resident in violation a certified mailing informing the resident of the time and place of a formal hearing by the Covenants Committee. Alternatively, the Covenants Committee may refer the violation to the Board of Directors for enforcement of the Association's Design Guidelines in accordance with the provisions of Section 55-513B of the Virginia Property Owners Association Act.
6. The above procedures do not preclude the Covenants Committee or the Board of Directors from taking accelerated measures in the case of a violation which constitutes an emergency situation, provided that the resident in violation has been properly notified by certified mailing and that the action is consistent with the provisions of the Association's legal documents. Likewise, the Covenants Committee or the Board may establish shorter notification periods for the correction of violations of the Design Guidelines where the homeowner shall not be disadvantaged by a shorter notification period for compliance.

7. The above procedures do not apply to the failure of an owner to maintain a lot in good order and repair and free of debris, as required by Article 7 of the Declaration. All owners must maintain their lots in accordance with the general maintenance standards detailed below. In the event of non-compliance with maintenance standards, the Board of Directors or the Covenants Committee, as appropriate, may, after thirty (30) days written notice to the owner (or such shorter notice period as determined by the Board or Committee), authorize the Association to enter upon the owner's lot and to perform any required maintenance at the expense of the owner. In the case of persons who fail to mow their lawn or have trash or debris visibly stored on their lot, (other than neatly stored construction materials for an approved improvement of the lot or home) the notice period shall be ten (10) days.

Property Maintenance Standards

- A. All portions of a lot which are not improved by an impervious surface or a structure must be maintained with grass (or other vegetation installed by a builder or approved by the Covenants Committee). No bare earth may be exposed on a lot (except for flower beds with appropriate approvals, as required).
- B. All turf areas on a lot must be kept neatly mowed during the growing season. Grass should not be permitted to exceed six (6) inches in height.
- C. Turf areas and other vegetation should be watered during dry periods. Any dead plants, shrubs or trees should be immediately removed.
- D. Turf areas should be kept as weed free as possible. At no time should weed cover exceed more than twenty-five percent (25%) of the total turfed area.
- E. No trash or debris may accumulate or be stored in a visible location on a lot. Construction materials required for the improvement of a home or lot should be neatly stored in as unobtrusive a location on the lot as possible when not in use.
- F. All hedges, trees and shrubs must be neatly trimmed and maintained and their size maintained in proportion to the lot and home through pruning.
- G. The exterior of a home must be maintained in an attractive manner. No significant blistering or peeling of exterior painted surfaces is permitted.

Any exterior building components (i.e., siding, gutters and downspouts, roof shingles, windows and doors) which are missing, broken or otherwise in a state of disrepair must be repaired as quickly as possible.

DESIGN GUIDELINES

The specific Design Guidelines detailed below have been adopted by the Board of Directors. Any visible exterior improvement to a home or lot unless otherwise stated in these Guidelines requires application to and approval from the Covenants Committee.

AIR CONDITIONING UNITS/HEAT PUMPS - The Committee will not approve applications for the installation of window or wall air conditioning units or fans. The relocation of exterior central air conditioning units and heat pumps requires approval and will be considered if there is no adverse visual or noise impact upon adjoining properties. Application and approval are not required to replace a heat pump or air conditioning unit in the original location.

ANTENNAS AND SATELLITE DISHES. Satellite dishes which are larger than one meter in diameter are prohibited. Satellite dishes which are one meter in diameter or less, television antennas and MMDS (multichannel, multipoint distribution) antennas are permitted. Antennas and satellite dishes are subject to the guidelines below and do not require prior approval from the Covenants Committee.

- Location. Devices are not to be installed in the front of the lot or on the front facade of a residence so long as another location exists on the lot or residence from which an acceptable quality signal can be received. If a front or side yard location is necessary for a ground mounted satellite dish, the equipment should be installed near other utility equipment or among shrubbery. They are to be located so as to be as visually unobtrusive as possible, without unreasonably increasing the cost of installation, maintenance and use and without precluding the reception of an acceptable quality signal. Whenever possible, the devices should be located in the rear yard. If a device must be installed at roof level, it should be situated on the rear side of the roof ridge line, so as to have no, or minimal, visibility from the front of the home.

ATTIC VENTILATORS. Attic ventilators and turbines should be mounted on the rear side of the roof ridge line so as to minimize their visibility from public areas and adjoining lots. Attic ventilators must be painted to match the color of the roof (if roof mounted) or the color of the house siding or trim (if mounted on a gable end).

AWNINGS. The use of awnings is discouraged. To be approved, awnings must be located on the rear side of the home, must be a neutral color or a color which matches the house trim, and should not have any decorative trim, such as scallops. Only fabric awnings will be approved.

CARPETING. Indoor/outdoor carpeting and synthetic grass on any exterior surfaces (for example, front stoops, decks, patios, etc.) are prohibited.

CHIMNEYS. In general, chimneys must be masonry or enclosed in the same material as the exterior of the home. Chimney material should cover the entire height of the chimney, except for a direct vent fire place exhaust.

CLOTHES LINES. Clothes lines or similar apparatus for the exterior drying of clothes are prohibited.

DECKS. ALL decks must be approved by the Covenants Committee and must conform to the guidelines detailed below.

Elevated and ground level decks are an extension of the house which can impact its exterior appearance and may affect the privacy of adjoining homes. Drawings submitted with the

application do not need to be professionally done (although professional drawings are advised), but they must be to scale and show dimensions.

Any adverse drainage requirements which might result from the construction of a deck, patio, or screened porch should be considered and remedied. Approval will be denied if the Covenants Committee determines that adjoining properties are adversely affected by changes in drainage. Any drainage problems which result from a modification are the responsibility of the homeowner who makes a modification, irrespective of approval by the Covenants Committee. The following factors will be considered in the review of applications:

1. Location. Decks should generally be located in rear yards. Side yard locations will generally not be approved, but may be evaluated on their individual merit and may be considered when lot size or topography prohibit a rear yard location. The privacy of adjacent homes will be considered in evaluating the proposed location of a deck.
2. Scale and Style. Decks, particularly elevated decks, should be of a scale which is compatible with the home to which attached, adjacent homes and the environmental surroundings. Decks must meet any minimum setback requirements and should not be constructed across Building Restriction lines shown on individual site plans for lots.
3. Materials. Wood decks should be constructed of high quality pressure-treated wood (#2 southern yellow pine or better for structural members and #1 or better for deck railing and stair stringers) or cedar, which remains stable in exterior applications. Trex or equivalent composite material may be used for horizontal surfaces (deck floor and stair risers). Vinyl may be used for deck railing components and other structural components.
4. Railing Detail. Deck railings may include decorative design elements (i.e., sunbursts, starbursts, chippendale) so long as the total design scheme is appropriate.
5. Accessory Structural Elements. In order to enhance the deck as an extension of a home's living space decks may be designed to include such features as a gazebo, bench-seating areas, built-in planter boxes, elevated shade trellises and plant hangers. Privacy screens on a deck are discouraged but may be considered when used to screen a hot tub or an undesirable view. Generally, privacy screens will not be permitted in the case of elevated decks but will be considered on a case-by-case basis for ground level decks. When permitted, privacy screens must not exceed three feet in height above the level of the deck railing, or a total height of six feet above the level of the deck floor, in cases of a ground level deck where the privacy screen is appended to the rear side of the railing or extends the full height above the deck floor with appropriate structural support. Privacy screens must be lattice or other open design — solid privacy screens are prohibited. In addition, privacy screens must not exceed a total length which exceeds fifty (50) percent of the total perimeter of the deck (excluding the length of the side which is bordered by the exterior wall of the home).
6. Under-deck Storage. The storage of any items below a deck is prohibited, except that a storage shed which conforms to the Design Guidelines may be constructed below the floor of an elevated deck.
7. Color. Decks may be sealed with a clear preservative or stained with a color approved by the Covenants Committee. An application should include a sample of the proposed stain color, if applicable. Similarly, an application which includes vinyl structural components should specify the color. All accessory structural elements should match structural components of the deck

in color.

DOG HOUSES AND DOG RUNS. Dog houses and runs are prohibited.

DRIVEWAYS. Extensions, modifications or additions to driveways will be considered only if there is no adverse aesthetic or drainage impact on adjoining lots. Driveway modifications must be constructed of the same material as found in the existing driveway. Driveway extensions must be of a size and scale which will compliment the property, rather than become a focal point. Replacement materials must be slate colored. Extended driveways may not be used for parking inoperable, commercial, recreational or unused vehicles. The sealing of driveways is encouraged.

EXTERIOR DECORATIVE OBJECTS. Approval will be required for all exterior decorative objects exceeding twelve (12) inches in height and eighteen (18) inches in width or depth, whether natural or man-made, which were not part of the original construction design, either as a standard or optional feature. Examples include but are not limited to: bird houses, bird baths, driftwood, weather vanes, sculptures, fountains, free standing poles of all types, house address numerals, and any items attached to approved structures. Appropriate outdoor furniture and planters which are placed on a front porch do not require an application.

These will be evaluated in terms of their general appropriateness, size, location, compatibility with architectural and environmental design qualities and visual impact on the neighborhood and the surrounding area. Sculpture, garden statues, bird baths, bird houses and similar items are restricted to rear yard locations and should not be visible from the front yard or a street. Decorative flags may be displayed and do not require approval if the flagpole complies with the Design Guidelines.

EXTERIOR LIGHTING. Lighting which is part of the original structure may not be altered without prior approval of the Covenants Committee. Proposed replacement or additional fixtures must be compatible in style and scale with the applicant's house.

Exterior lighting, including motion sensors, flood lights and entrance lights shall be directed downward and not outside of the applicant's property. The light source should not be visible outside of the applicant's property. Proposed additional lighting shall not be approved if it will result in an adverse visual impact to adjoining neighbors due to location, wattage or other features. Low voltage landscape lighting located along a walkway or among shrubbery will be considered so long as it does not distract from the overall appearance of the home.

Applications for replacement or additional exterior lighting should include the wattage, height of the fixture above ground, location on the property (shown on a plat map for the lot) and a description of the fixture(s) and/or a photograph or cut sheet from a catalogue.

EXTERIOR PAINTING. An application is not required in order to repaint or restrain an object to match the original color. However, all exterior color changes must be approved. This requirement applies to siding, doors, shutters, trim, roofing and other appurtenant structures.

FENCES. Guidelines for the construction and approval of fences are provided below.

1. Chain-Link and Barbed Wire Fences. Chain link and barbed wire fences will not be approved under any circumstances. Chain link or barbed wire fencing material will not be permitted for any use.

2. Fence Locations. Where permitted, fences should be placed on the rear and side lot lines and may extend forward of the rear plane of the home to a point midway between the front and rear planes of the home. Fence applications for corner lots will be evaluated to determine any adverse effects on adjoining lots. Batten privacy fences shorter than 6' or 5' with 1' lattice are not permitted.

3. Fence Style. The two approved fence styles are a spaced picket fence with a Mount Vernon Dip and a board and batten privacy fence. The detail for these fences is found in Appendix II. It is recommended that fence be pressure treated wood (#2 southern yellow pine or better) or cedar. Fences of other materials will be reviewed on a case by case basis. Fences may be left to age naturally or stained with a natural wood stain color approved by the Covenants Committee. Fences may not be painted. To secure the rear yard for pets and small children, black or dark green vinyl coated wire mesh (10 to 16 gauge) may be attached to the interior side of the fence. Reasonable variations in dimensions will be reviewed for their individual merit and may be approved on a case by case basis.

4. Ingress/Egress Easements. Fences may not be installed on ingress/egress easement areas which are shown on a site plan or plat map.

FIREWOOD. Firewood stored on a lot shall be kept neatly stacked and shall be located to the rear of the residence and in such a manner as to avoid adverse visual impacts for adjoining properties. Screening may be required in certain cases. Firewood should be stacked in piles which do not exceed eight feet in length and four feet in height for both aesthetic and safety considerations. Covers for firewood must be a muted brown or tan color-no brightly colored tarps will be permitted. Other than a limited quantity of firewood intended for immediate use, firewood may not be stacked on a patio or deck. No firewood may be stacked on community open space

FLAGPOLES. Permanent, free standing flagpoles are prohibited. Flagpole staffs which do not exceed six feet in length and are attached at an incline to the wall or pillar of the dwelling unit are permitted and do not require approval by the Covenants Committee.

GAZEBOS. Gazebos may be constructed as an accessory structure of a deck or as a free standing structure on the lot for single-family detached homes, provided that the scale is appropriate for the size of the lot or deck.

Location. Free standing gazebos which are not integral to a deck must be located in the rear yard behind the home.

Size and Scale. The size must be compatible with the size of the home and lot and, if constructed as an accessory element of a deck, with the scale of the deck.

Materials and Color. If constructed as an accessory structural element of a deck, the materials and color must be identical to the vertical elements of the deck (refer to the Design Guidelines for decks). The roof material must match that of the home or be constructed of shake shingle. If built as an independent structure sited in the rear yard, a gazebo may either be constructed of cedar or pressure treated lumber (#2 southern yellow pine or better) or with finish materials that match the exterior of the home. The roof material must be identical to that used on the home or be shake shingle. In order to minimize the visual impact of a free standing gazebo, the Covenants Committee may require the installation of landscape

materials.

GENERATORS: (Residential backup generators)

1. Backup generators should comply with Loudoun County noise level requirements of 65dB or less.
2. Permanent generators should be installed behind mid-point of the dwelling.

GREENHOUSES. A greenhouse will be treated as a major alteration to a dwelling unit and subject to the same level of review. Greenhouses must meet the following additional criteria to be approved.

1. The scale and design must be architecturally compatible with the home and surrounding homes and must be a glass enclosure.
2. There shall be no adverse visual impacts for adjoining properties. The installation of landscape materials to provide a visual screen is encouraged and may be required as a condition of approval.

GRILLS. The construction of permanent grills is discouraged but may be considered on a case-by-case basis. Grills must be located in the rear yard, must be of a size and scale compatible with the home and lot and must be sited so as to minimize any adverse visual impacts on adjoining lots and to preclude visibility from the street.

GUTTERS AND DOWNSPOUTS. All gutters and downspouts, including replacements, must conform in color and design to those installed originally. Any addition of new gutters or downspouts, or a change in location of an original gutter or downspout, requires approval. Gutters and downspouts must be located in such a manner as to not adversely affect drainage onto neighboring properties, including golf course property. Gutter extensions used for additional drainage purposes must be buried underground and directed away from adjacent properties. Splash blocks should be black or green plastic, or unpainted concrete.

HOT TUBS/SPAS. Exterior hot tubs or spas must be located on the ground level of the rear yard adjacent to the dwelling unit and require approval. The incorporation of hot tubs as a design feature of a deck or patio is encouraged. The exterior finish of an elevated hot tub or spa should blend with the exterior finish of the home, deck or patio to which attached or most closely related. Hot tubs or spas which are recessed into decks are preferred over those which are free standing. If free standing, a hot tub or spa must be screened with landscaping materials in order to minimize its visibility. Hot tubs or spas which are incorporated into a deck must not extend above the top of the deck railing. Hot tubs or spas which are incorporated into a deck may be screened with lattice or other open-style design in accordance with the Design Guidelines for decks.

LANDSCAPING. Application and review is not required for the following modifications:

1. Planting of annuals or perennials in existing beds.
2. Installation of new beds less than four feet wide around the perimeter of the house foundation (and deck, patio, or fence if present) and perimeter of the rear of the lot, provided that plants installed have a mature height of less than eight feet.

3. Installation of new beds less than three feet wide adjacent to walks from the driveway to the front of the home, provided that plants have a mature height of less than three feet.
4. Installation of new beds less than two feet wide around a mailbox post, and around transformer/utility boxes, provided that plants have a mature height of less than three feet.
5. Installation of black plastic around existing or approved beds, provided that it is installed to be below the height of the top of the grass.
6. The installation of individual trees or shrubs on the lot, provided that such plantings at maturity are in scale with the home and lot and do not interrupt designed drainage patterns and swales.

Any other landscaping modifications, including the following, require application and review by the Covenants Committee. Landscape materials may not be installed on ingress/egress easements shown on a site plan or plat map.

7. Removal of grass and replacement with mulch or landscape ground cover, except in the case of the pre-approved locations above. (This will be considered for limited areas; on steep slopes, for example.)
8. Any installation of landscape timbers. Timbers should not define the individual front yards or walkways, and cannot be used on property lines. Landscape timbers are prohibited in front yard locations. Timbers may be used in rear yards to line flower beds. Timbers must be natural in color, not stained.
9. Stone or masonry landscape walls. Walls intended as a landscape feature should not exceed two feet in height. The use of natural stone is preferred. However, brick or cultured stone may be approved if consistent with design characteristics of the home and adjoining properties.
10. Any modifications that require construction (including retaining walls or garden structures, such as trellises, gazebos, etc.) or result in a grade change.
11. Approval is required for any shrubs or trees which are intended to form a hedge or natural screen which will be more than three feet in height. Landscape screens or barriers may be approvable in order to define private space or block undesirable views. However, the Committee will consider any adverse impacts on adjoining lots, including the disruption of sight lines for adjoining properties and interruption of designed drainage patterns. Landscape screens or barriers are not permitted on front yard lot lines.
12. Any proposed improvement which is of such a scale or type as to be potentially inconsistent with the scale and design features of the home, adjacent homes and the surrounding area.

PATIOS. All patios require approval. Patios must be located in rear yards. Patios should be installed flush with the ground. The use of brick, flagstone, slate or decorative pavers is encouraged. Any adverse drainage requirements which might result from the construction of a patio should be considered and remedied. The use of a partially porous patio surface or the installation of mulch beds adjacent to the patio are techniques to minimize drainage concerns.

RECREATION AND PLAY EQUIPMENT. Permanent or semi-permanent play equipment which constitutes a structure, such as swing sets, play-houses, sand boxes, etc., require an application and are subject to the guidelines below.

1. Location. All play equipment (with the exception of basketball hoops) must be located in the rear yard.
2. Size and Scale. The size of any play equipment should be compatible with the size of the lot.
3. Screening. Play equipment should be sited so as to have the minimum visual and noise impacts on adjoining lots. The Covenants Committee may require landscape screening to minimize any adverse impacts.
4. Material and Colors. The use of wooden play equipment is encouraged. Metal play equipment, exclusive of the wearing surfaces, free standing basketball backboards and their poles should be painted dark earth tones to blend with the natural surroundings or, if located adjacent to a home, painted to match the background or screening structure. The use of bright colors on play equipment should be minimized. However, most play structures available for purchase have bright colored plastic and/or fabric elements and will generally be acceptable if the basic structure itself is wood or metal which can be painted in accordance with this guideline. Applications for such play equipment should include a color photograph or catalogue cut sheet, the physical dimensions of the equipment and proposed location on the lot.
5. Basketball Equipment. Basketball backboards may not be attached to the home or garage. Basketball backboards may be erected on permanent or mobile poles in the driveways of single-family detached homes and should be sited such that they are a minimum of fifteen (15) feet from the street and located so that basketballs will not fall into the yards of adjoining homes. The configuration of the driveway, distance from the street and proximity of adjoining lots will be a factor in evaluating an application. All basketball backboards require an application and will be considered on a case by-case basis. The Covenants Committee may require a written statement from adjoining neighbors that they have no objection to the application.
6. Portable Play Equipment. Portable play equipment should not be left outside when not in use.

ROOM ADDITIONS/GARAGES. The design of room additions or garages should be the same or compatible in design, scale, materials and color with the applicant's house and adjacent houses. Roof pitches must match or be compatible with the roof slope on the applicant's existing houses. Roof materials must match that of the existing house; siding must match existing siding in color, material, size and style. Windows and doors must match those used in the applicant's house, and should be located in a manner which relates well to the location of exterior openings in the existing house.

If changes in grade or other conditions which will affect drainage are anticipated, they must be indicated. Generally, approval will be denied if adjoining properties are adversely affected by changes in drainage.

SCREENED PORCHES. Screened porches must be compatible with the home in terms of finish materials and color for all exterior surfaces other than screens. The roof pitch should be the same as that for the home and the roof material and color must be identical to the roof of the home. Shed style roofs are prohibited for screened porches. The size and scale of the screened porch must be compatible with the size of the home

SECURITY BARS. In general, the use of security bars or grates on windows and doors will be prohibited. Exceptions may be made where the security apparatus will not be visible from the street and from adjoining properties. Homeowners concerned about the security of their residence are advised to consider alternatives, including alarms and sophisticated lock systems.

SIGNS.

No signs, other than real estate signs or security signs, described below, are permitted on lots or common areas without the prior approval of the Covenants Committee.

1. Real Estate Signs. One real estate sign offering a property for sale or rent, may be displayed on a lot. Signs may only be placed in the front yard and must be removed within one week following the sale or rental of a home.
2. Security Signs. Two security signs, each not exceeding a total of sixty-four (64) square inches, may be posted on the property. Only one such sign may be posted forward of the front plane of the home. The approved location shall be at the front door. A second sign may be posted in the rear yard.
3. Political Signs. No more than (2) signs per property may be erected within 90 days of an election. Signs must be removed by the following weekend after an election.

SKYLIGHTS. Skylights should be located such that they are not visible from the front of the dwelling unit or a street. Skylights are not permitted on the front side of the roof ridge line. Skylights which are constructed flush with the roof line are preferred. Bubble or elevated skylights are prohibited.

SOLAR PANELS.

Virginia Senate Bill 320 was signed 12 MAY 2008 and is effective 1 JUL 2008.

Covenants restricting solar energy collection devices. Provides that a community association shall not prohibit an owner from installing or using any solar energy collection on the owner's property; but such association may establish reasonable restrictions concerning the size, place, and manner of placement of the solar energy collection devices. The bill allows a community association to prohibit or restrict the placement of such devices on the common areas. The bill provides that nothing shall be construed to (i) invalidate any provision of a restrictive covenant that prohibits or restricts the installation or use of any solar collection device if such provision was in effect before July 1, 2008, or (ii) prohibit the amendment of a restrictive covenant on or after July 1, 2008, to prohibit or restrict the installation or use of any solar collection device if such amendment is adopted by the membership of the community association in accordance with such association's governing documents.

SHEDS.

Storage sheds must be in the rear of the dwelling unit and must adhere to the guidelines below:

1. Design.

The architectural design of the shed should be compatible with the design of the home.

2. Size and Scale.

- a. Sheds located on Neo-Traditional home lots shall not exceed 36 square feet.
- b. Sheds located on lots 100-107 shall not exceed 120 square feet.
- c. Sheds on all other other lots shall be limited to 100 square feet.
- d. The property line set back of the shed shall mirror the town requirements.

3. Materials. The finish materials must complement the home.

4. Colors. The color scheme must be the same as the home.

5. Roof.

The roof slope, type, and the color of the roofing material should match that of the dwelling.

STORM/SCREEN DOORS. Only full view storm doors, defined as doors where the glass covers at least 80 percent of the door surface, are permitted. Provided that this criterion is met, there is latitude for a number of door styles. Approved door styles are illustrated in Appendix II. Doors with other decorative treatment, such as grills, are not permitted. Doors must be white or painted the same color as the unit entry door or trim. Installation of pre-approved doors which conform to the door styles in Appendix II does not require application and approval. The proposed installation of a door which is not pre-approved requires an application.

SWIMMING POOLS.

Town of Lovettsville Requirements (as of 8-2008)

Zoning Ordinance section 4-8

4-8 PRIVATE OUTDOOR SWIMMING POOLS

A location permit shall be granted for the installation or construction of a private outdoor swimming pool on the same lot as the principal residence, subject to the following conditions:

- (a) Such pool may be erected on the required rear yard but not in the required side or front yard.
- (b) The edge of such pool shall not be located nearer than ten (10) feet to any lot line.
- (c) Any pool with a surface of one hundred fifty (150) square feet or more or a depth in excess of two (2) feet shall be completely surrounded by a fence or wall six (6) feet in height designed to prevent access thereto by small children and animals.
- (d) All gates or doors opening through said fence shall be erected, maintained and provided with a self-closing, self-latching gate to prevent unauthorized use of the pool.
- (e) All electrical wiring used in conjunction with such pool shall be installed below the ground or in a conduit to the nearest point of use. All wiring shall be waterproof. All connections shall be waterproof. All electric motors, lights, pumps, and like items shall be properly grounded. TRAMPOLINES. Permanent or semi-permanent trampolines require an application and are subject to the guidelines below:

1. Location. Trampolines must be located in the center of the rear yard of the lot.
2. Size. The size shall not exceed 12 feet in diameter for neo-traditional home lots and shall not exceed 16 feet in diameter for all other home lots.
3. Use: The use shall not cause any unreasonably load noise causing annoyance, discomfort or disturbance to neighboring residents.
4. The hours of use shall only be between 9 AM and dusk.

TREE REMOVAL. No live trees with a diameter in excess of 4 inches, measured 12 inches above ground, nor flowering trees in excess of 2 inches similarly measured, no live vegetation on slopes of more than 20 percent gradient or marked "no cut area," "landscape preservation area," "tree preservation area," "conservation area," or "wetland" on approved plans, may be removed without the prior approval of the Covenants Committee. However, a lot owner may remove dead trees and certain objectionable plants, including poison ivy, poison oak, poison sumac, kudzu or other severely invasive plants. Protected wetland areas on a lot may not otherwise be disturbed. In no event shall live trees planted by the Declarant or a Builder to comply with governmental requirements be cut or relocated without prior written approval from the Covenants Committee.

VEGETABLE GARDENS. Vegetable gardens must be located in the rear of the home and must not exceed one hundred (100) square feet in area. No plant which will exceed the height of three feet at maturity may be planted. Vegetable gardens must be maintained in a neat manner and all plant debris must be removed and the soil turned at the end of the growing season.

WALKWAYS. Approval is required for a change in an existing walkway or the construction of a new walkway. Materials to be used should be compatible with existing materials in the community (e.g., flagstone, brick, or poured concrete). Long stretches of poured concrete should be avoided. Walkways of wood decking will generally not be approved.

WINDOWS. Covenants Committee approval is required to add new windows in walls. Windows must match the existing house windows. The size of the window trim and frame must match that of the other windows as closely as possible. All trim details must be duplicated. The color of the window frame and trim must match the existing windows. Approval is not required to replace existing windows provided that replacement windows are identical to the original windows. Application and approval is required for replacement windows which are not identical to the original windows.

WINDOW DIVIDERS. Window dividers installed in original windows must be retained and replaced with a comparable divider if damaged or missing.

APPENDIX I
DESIGN REVIEW APPLICATION

**DESIGN REVIEW APPLICATION
NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION**

c/o American Management of Virginia
722 E. Market St, Suite 201
Leesburg, VA 20176

703-771-3995 Office
703-771-4185 FAX
JRosa@AMVirginia.com

From: _____ Lot: _____
Address: _____ Home Phone: _____
Work Phone: _____ Cell Phone: _____
Mailing Address: _____
(if different)

Please submit a copy with all required documentation.

Directions:

The Declaration of Covenants requires that you submit to the Covenants Committee for approval all proposed exterior additions, changes or alterations to your house and lot. In order to be considered by the Covenants Committee, your application must include detailed information describing the proposed change (typically, plans and specifications including sketches, photos, catalog illustrations, etc. showing the nature, kind, shape, color, dimensions, and materials; and a copy of the survey with the location marked). **Make sure your application is complete.** An application submitted without all required submissions will be considered incomplete. In such case, the Covenants Committee's review period will not commence until all required submissions have been provided. Other exhibits may be requested to permit adequate evaluation of the proposed change. If you have any questions regarding the required submissions or the application process, you are advised to seek guidance from Loudoun Management Associates prior to submission of an application.

Description of Proposed Change:

Estimated starting date: _____ (after approval by the Covenants Committee)

Estimated completion date: _____

Neighbor's Acknowledgments:

You are requested to obtain the signatures of all lot owners whose lots are adjacent to your lot. Signature by your neighbors indicates awareness of your proposed change and does not constitute approval or disapproval on their part.

Name: _____	Name: _____
Address: _____	Address: _____
Lot #: _____	Lot #: _____
Signature: _____	Signature: _____

Owner's Acknowledgments:

I/We understand and agree: (please initial)

1. _____ that approval by the Committee shall in no way be construed as to pass judgment on the correctness of the location, structural design, suitability of water flow or drainage, location of utilities, or other qualities of the proposed change being reviewed.
2. _____ that approval by the Committee shall in no way be construed as to pass judgment on whether the proposed change being reviewed is in compliance with the applicable building and zoning codes of the town/county in which the property is located.

3. _____ that 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 are subsequently submitted for use in any other instance.

4. _____ that no work on the proposed change shall begin until written approval of the Committee has been received by me/us; that if work is begun prior to approval, I/we may be required to return the property to its former condition at my own expense if this application is disapproved wholly or in part; and I may be required to pay all legal expenses incurred.

5. _____ that there shall be no deviations from the plans, specifications, and location approved by the Committee without prior written consent of the Committee; any variation from the original application must be resubmitted for approval.

6. _____ that I/we authorize members of the Committee or managing agent to enter upon my Property to make one or more routine inspection(s).

7. _____ that construction or alterations in accordance with the approved plans and specifications must commence within six (6) months of the approved date of this application and be completed within twelve (12) months of the approved date, other the approval by the Committee shall be deemed conclusively to have lapsed and to have been withdrawn.

8. _____ that it is my responsibility and obligation to obtain all required building permits, to contact Miss Utility, and to construct the improvements in a workmanlike manner in conformance with all applicable building and zoning codes.

9. _____ that I/we am/are responsible for any damage and all cost to repair green space or community property that results from the proposed modification.

Owner/Applicant Signature: _____

Co-Owner/Applicant Signature: _____

Date Signed: _____

Required Attachments:

- Descriptive information (typically plans and specifications, including sketches, photos, catalog illustrations, etc. showing the nature, kind, shape, color, dimensions, materials)
- A copy of the survey (plat) with the location of the proposed modification marked

APPENDIX II STANDARD

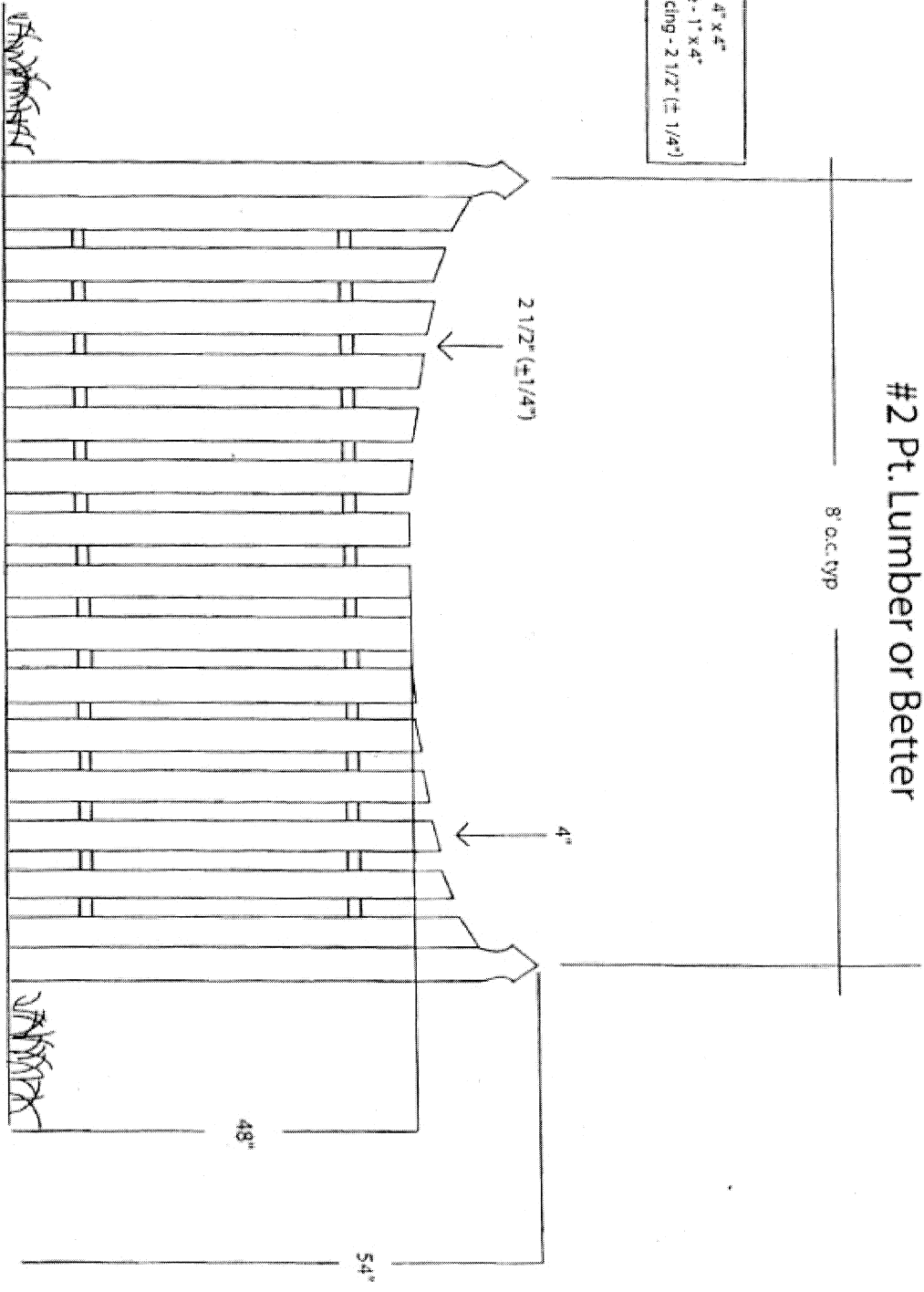
FENCE DETAIL

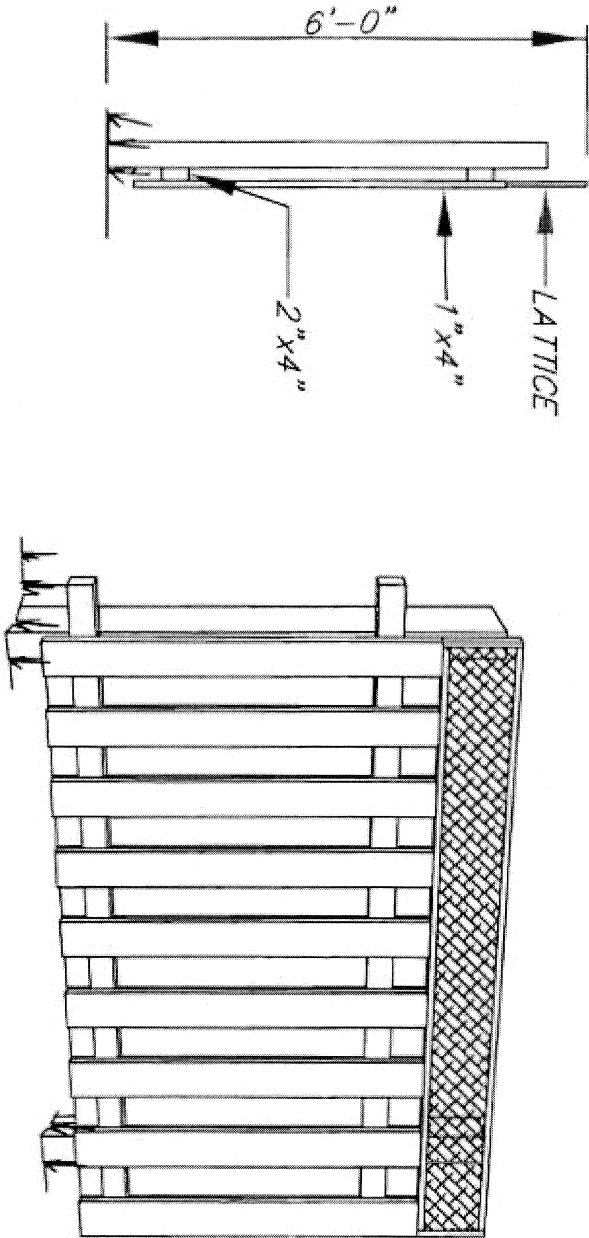
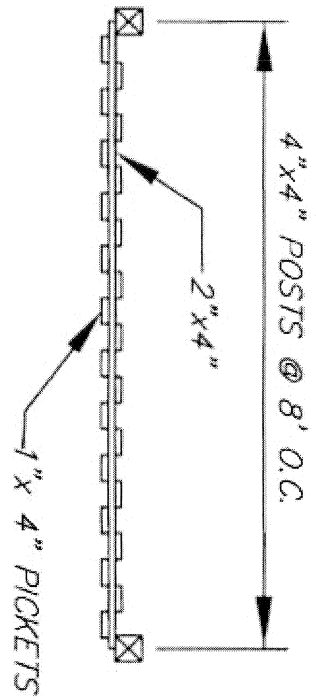
**SPACED PICKET FENCE
WITH MOUNT VERNON DIP**

**BOARD AND BATTEN FENCE
WITH LATTICE**

Typical Detail Mount Vernon Dip Fence #2 Pt. Lumber or Better

Post Size - 4" x 4"
Picket Size - 1" x 4"
Picket Spacing - 2 1/2" ($\pm 1/4$)





BOARD-ON-BOARD FENCE DETAIL
WITH LATTICE

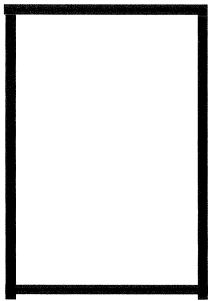
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APPENDIX III

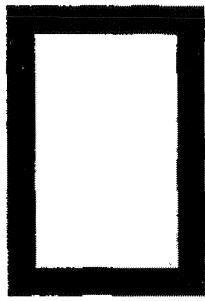
APPROVED STORM DOOR STYLES

STORM DOOR DETAIL

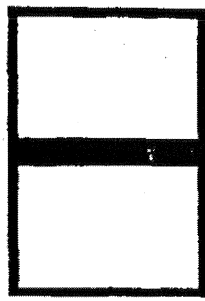
Five acceptable "full view," style storm doors are illustrated below. Door 1 is the preferred style. Door 2 has a wide border, Door 3 is a style which can either have removable glass and screen panels or which can have self-storage of glass or a screen in the lower panel, Door 4 has a kick plate and Door 5 has a wide border and a kick plate.



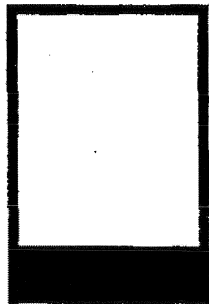
Door 1



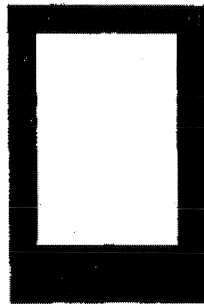
Door 2



Door 3



Door 4



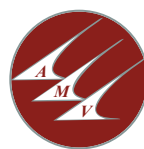
Door 5

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New Town Meadows HOA

Bylaws



AMERICAN MANAGEMENT
OF VIRGINIA

BYLAWS

BYLAWS
FOR
NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION

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PROXY
ASSOCIATION DISCLOSURE PACKAGE

EXHIBIT A
EXHIBIT B

BYLAWS
FOR
NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION

ARTICLE 1

INTERPRETIVE PROVISIONS

Section 1.1 Defined Terms. Terms used herein without definition shall have the meanings specified for such terms in section 13.1-803 of the Virginia Nonstock Corporation Act ("Act"). Definitions, terms and other interpretive provisions set forth in Article 2 of the Articles of Incorporation for New Town Meadows Homeowners Association ("Articles of Incorporation") and in Section 1.1 of the Declaration for New Town Meadows ("Declaration") are equally applicable to these Bylaws.

Section 1.2 Use of Technology.

(a) Electronic Means. To the extent permitted by law, the Association and its Owners and occupants may perform any obligation or exercise any right by use of any technological means providing sufficient security, reliability, identification and verifiability. Acceptable technological means shall include without limitation electronic communication over the internet, the community or other network, whether by direct connection, intranet, telecopier or e-mail.

(b) Signature Requirements. Any requirement for a signature under the Association Documents may be satisfied by a digital signature meeting the requirements of applicable law.

(c) Electronic Funds Transfer. Payment of all sums to and from the Association and the Owners and occupants may be made by electronic transfer of funds creating a record evidencing the transaction for the period such record would be required to be available in non-electronic form.

(d) Voting Rights. Voting and approval of any matter under the Association Documents may be accomplished by electronic means provided that a record is created as evidence thereof and maintained as long as such record would be required to be maintained in non-electronic form.

(e) Non-technology Alternatives. If any Owner, occupant or third party does not have the capability or desire to conduct business using electronic or other technological means, the Association shall make reasonable accommodation, at its expense, for such person to conduct business with the Association without use of such electronic or other means until such means has become generally (if not universally) accepted in similar communities in the area.

ARTICLE 2

MEETINGS OF OWNERS

Section 2.1. Annual Meetings. The first annual meeting of the Association shall be held, not later than the first anniversary of the incorporation of the Association which occurs after there is an Owner other than the Declarant or a Builder, at such place, date and time as may be fixed by a resolution of the Board of Directors. Subsequent annual meetings of the Association shall be held on weekdays (other than legal holidays recognized as such in Virginia) at least ten months but not more than fourteen months after the preceding annual meeting at such place, date and time as may be fixed from time to time by resolutions of the Board of Directors.

Section 2.2. Special Meetings. The Association shall hold a special meeting: (1) upon the call of the President; (2) if so directed by resolution of the Board of Directors; (3) upon a petition presented to the Secretary and signed by Owners entitled to cast at least fifteen percent of the total number of votes (excluding the Declarant's votes); or (4) upon request of the Declarant during the Development Period. The signatures on a petition requesting a special meeting shall be valid for a period of one hundred-eighty days after the date of the first such signature. Such resolution, petition or request must: (1) specify the time and place at which the meeting is to be held; (2) either specify a date on which the meeting is to be held which will permit the Secretary to comply with Section 2.3, or else specify that the Secretary shall designate the date of the meeting; (3) specify the purposes for which the meeting is to be held; and (4) be delivered to the Secretary. No business other than that stated in such resolution, request or petition shall be transacted at such special meeting.

Section 2.3. Notice of Meetings.

(a) Content and Timing. Written notice stating the place, date and time of each annual or regularly scheduled meeting and, in the case of a special meeting, the purposes for which the meeting is called, shall be given by the Secretary (or as directed by the Secretary) to each Owner entitled to vote at such meeting not less than fourteen days nor more than sixty days before the date of any annual or regularly scheduled meeting, and at least ten days before any other meeting, except for meetings to vote on extraordinary actions, in which case notice shall be given as provided in Subsection (b). The giving of notice in the manner provided in this section, Articles 1 and 10, the Act and the POA Act shall be considered service of notice.

(b) Extraordinary Actions. Notwithstanding the provisions of Subsection (a), notice of a meeting to act on an amendment to the Articles of Incorporation, a plan of merger or consolidation or dissolution of the Association shall be given in the manner provided above not less than twenty-five nor more than sixty days before the date of the meeting. Any such notice shall be accompanied by a copy of the proposed amendment, plan of merger or consolidation or dissolution.

Section 2.4. Waiver of Notice of Meetings.

(a) Written Waiver. Whenever any notice is required to be given of any meeting of the Association, a waiver thereof in writing signed by an Owner entitled to such notice, whether given before or after the meeting, shall be equivalent to the giving of such notice to that Owner and such waiver shall be delivered to the Secretary for inclusion in the minutes or filing with the Association records.

(b) Waiver by Attendance. An Owner who attends a meeting shall be conclusively presumed to have had timely and proper notice of the meeting or to have duly waived notice thereof, unless such Owner attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened and so notifies the person conducting the meeting at or prior to the commencement of the meeting or, in the case of a special meeting, at or prior to consideration of the matter subject to objection.

Section 2.5. Quorum. A quorum shall be deemed to be present throughout any meeting of the Association if Owners entitled to cast at least twenty percent of the total number of votes are present, in person or by proxy, at the beginning of such meeting. Once an Owner is present at a meeting, such Owner is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new Record Date is set for that adjourned meeting. If any part of this Section 2.5 conflicts with the Act, the requirements of the Act shall control.

If at any meeting of the Association a quorum is not present, a majority of the Owners who are present at such meeting in person or by proxy may: (1) recess the meeting to such place, date and time as such Owners may agree not more than forty-eight hours after the time the original meeting was called; or (2) adjourn the meeting to a time not less than forty-eight hours or more than thirty days after the time the original meeting was called at such date and place as such Owners may agree, whereupon the Secretary shall announce the place, date and time at the meeting and make other reasonable efforts to notify all Owners of such date, time and place at which the meeting will be resumed. At any such future resumption of the meeting, a quorum shall be deemed present if Owners entitled to cast at least ten percent of the total number of votes are present in person or by proxy.

Section 2.6. Order of Business. Unless otherwise specified in the notice of the meeting, the order of business at all meetings of the Association shall be as follows: (1) roll call (proof of quorum); (2) proof of notice of meeting; (3) adoption of minutes of preceding meeting; (4) reports of officers; (5) report of Board of Directors; (6) reports of committees; (7) appointment of inspectors of election (when so required); (8) election of directors (when so required); (9) unfinished business; and (10) new business; provided, however, that balloting for election of directors may commence at any time at the direction of the presiding officer.

Section 2.7. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at such meetings. The President may appoint a parliamentarian at any meeting of the Association. The then current edition of Robert's Rules

of Order, Newly Revised, shall govern the conduct of all meetings of the Association when not in conflict with the Act or the Association Documents.

Section 2.8. Record Date to Determine Owners; List of Owners. The date for determining which Persons are Owners and therefore entitled to vote ("Record Date") shall be the close of business on the tenth business day before the effective date of the notice to the Owners of the meeting, unless the Board of Directors shall determine otherwise. The effective date of the notice to the Owners shall be the date such notice is deposited in the United States mail or with a reputable national overnight delivery service, as determined by the Board of Directors. The Board shall not fix a Record Date more than seventy days before the date of the meeting or other action requiring a determination of the Owners, nor shall the Board set a Record Date retroactively. At least ten days before each meeting, the Secretary shall make a complete list of Owners, with the address of each, available for review by the Owners before and during the meeting. The list shall be current as of the Record Date.

Section 2.9. Action by Owners Without Meeting. Any action required or permitted to be taken at a meeting of the Association may be taken without a meeting if written consent, setting forth the action so taken and signed by all of the Owners entitled to vote with respect to the subject matter thereof, is delivered to the Secretary for inclusion in the minutes or filing with the Association records. Such consent shall have the same force and effect as a unanimous vote of the Owners.

ARTICLE 3

VOTING

Section 3.1. Voting Rights. The voting rights of the Owners of the Association shall be as set forth in Section 4.2 of the Articles of Incorporation.

Section 3.2. Additional Provisions Governing Voting.

(a) Association Votes. If the Association is an Owner, the Association shall cast its votes with the majority with respect to any Lot it owns, and in any event such votes shall be counted for the purpose of establishing a quorum.

(b) Multiple-Person Owners. Since an Owner may be more than one Person, if only one of such Persons is present at a meeting of the Association or signs a consent, approval or proxy, that Person shall be entitled to cast the Owner's votes or give the consent, approval or proxy. If more than one of such Persons is present or otherwise gives a consent, approval or proxy, the vote, consent or approval appertaining to that Owner shall be cast only in accordance with the unanimous agreement of such Persons, and such agreement shall be conclusively presumed if any of them purports to cast the vote appertaining to that Owner or to give a consent, approval or proxy without protest being made forthwith by any of the other Persons constituting such Owner to the person presiding over the meeting or objection to such consent, approval or proxy being made to the Association prior to the taking of the action in question.

(c) Voting Certificate. If an Owner is not a natural person, the vote by such Owner may be cast by any natural person authorized by such Owner. Such natural person must be named in a certificate signed by an authorized officer, partner or trustee of such Owner and filed with the Secretary; provided, however, that any vote cast by a natural person on behalf of such Owner shall be deemed valid unless successfully challenged prior to the adjournment of the meeting at which the vote was cast or within ten days after such meeting by the Owner entitled to cast such vote. Such certificate shall be valid until revoked by a subsequent certificate similarly signed and filed. Wherever the approval or disapproval of an Owner is required by the Association Documents, such approval or disapproval may be made by any Person who would be entitled to cast the vote of such Owner at any meeting of the Association.

(d) Delinquency. No Class A Owner may vote at any meeting of the Association or be elected to serve on the Board of Directors if payment by such Owner of any financial obligation to the Association is delinquent more than sixty days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

Section 3.3. Manner of Voting.

(a) At a Meeting. Voting by Owners at a meeting shall be by voice vote (except for the election of directors which shall be by written ballot) unless the presiding officer determines otherwise or any Owner present at the meeting, in person or by proxy, requests, and by a Majority Vote the Owners consent to, a vote by written ballot indicating the name of the Owner voting, the number of votes appertaining to such Owner, and the name of the proxy of such ballot if cast by a proxy. There shall be no cumulative voting.

(b) By Referendum. In the sole discretion of the Board of Directors, elections of directors (or other matters permitted by law) requiring a vote of the Owners may be submitted to a referendum of the Owners on a ballot, by mail or at polling places. Ballots shall be returned to the Secretary by the date specified on the ballot. The Board of Directors shall determine the method of voting, the form of all ballots, the deadline for return of ballots and the number and location of polling places, if any.

Section 3.4. Proxies. A vote may be cast in person or by proxy. A proxy may be instructed (directing the proxy holder how to vote) or uninstructed (leaving how to vote to the proxy holder's discretion). If uninstructed, the proxy form or instructions shall contain a brief explanation of the effect of leaving the proxy uninstructed. Only instructed proxies may be granted by any Owner to the managing agent. No Person other than the Declarant, a Mortgagee (with respect to the Lots on which the Mortgagee holds a Mortgage), the managing agent or an Officer may cast votes as a proxy for more than five Lots not owned by such Person. Proxies shall be: (i) in writing, (ii) dated, (iii) signed by the Owner or a Person authorized by the Owner, (iv) valid for eleven months unless a longer time period is provided in the proxy, and (v) 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 Owner. A sample proxy is attached as Exhibit A.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1. Powers and Duties of the Board of Directors. The business and affairs of the Association shall be managed by the Board of Directors elected in accordance with the procedures and for the terms of office set forth in Article 5 of the Articles of Incorporation. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not required by the Act or the Association Documents to be exercised and done by the Owners. The Board of Directors shall delegate to one of the directors or to a Person employed for such purpose the authority to act on behalf of the Board on such matters relating to the duties of the managing agent (as defined in Article 5), if any, which may arise between meetings of the Board as the Board deems appropriate. In addition to the duties imposed by any other provision of the Association Documents or by any resolution of the Association that may hereafter be adopted, the Board shall perform the following duties and take the following actions on behalf of the Association:

- (1) Provide goods and services in accordance with the Association Documents, and provide for the Upkeep of the Common Area and, to the extent provided in the Association Documents, of the Lots.
- (2) Designate, hire, dismiss and, where appropriate, compensate the personnel necessary to provide for the Upkeep of the Common Area, and the general administration of the Association and, to the extent provided in the Association Documents, of the Lots, and to provide goods and services, as well as purchase equipment, supplies and materials to be used by such personnel in the performance of their duties.
- (3) Collect the Assessments, deposit the proceeds thereof in depositories designated by the Board of Directors and use the proceeds to carry out the Upkeep of the Property and other real estate and facilities (to the extent the Association is so authorized by the Association Documents) and the general administration of the Association.
- (4) Adopt and amend any reasonable Rules and Regulations not inconsistent with the Association Documents.
- (5) Open bank accounts on behalf of the Association and designate the signatories thereon.
- (6) Enforce the provisions of the Association Documents.
- (7) Act with respect to all matters arising out of any eminent domain proceeding affecting the Common Area.
- (8) Notify the Owners of any litigation against the Association involving a claim in excess of ten percent of the total Annual Assessment.

(9) Obtain and carry insurance against casualties and liabilities, as provided in Article 10 of the Declaration, pay the premiums therefor and adjust and settle any claims thereunder.

(10) Pay the cost of all authorized goods and services rendered to the Association.

(11) Notify the appropriate Mortgagee of any default by an Owner in paying Assessments (which remains uncured for sixty days) or of any other default, simultaneously with the notice sent to the defaulting Owner.

(12) Provide an Association Disclosure Packet or Common Expense Statement with respect to a Lot within fourteen days (or as otherwise required by law) after a written request and payment of the appropriate fee in accordance with Section 6.6 of the Declaration.

(13) Prepare an annual budget in accordance with Article 6 of the Declaration.

(14) Adopt an annual budget and make Assessments to defray the Common Expenses of the Association, establish the means and methods of collecting such Assessments and establish the period of the installment payment, if any, of the Annual Assessment in accordance with Article 6 of the Declaration.

(15) Borrow money on behalf of the Association, when required for any valid purpose; provided, however, that either a Majority Vote of the Owners obtained at a meeting held for such purpose or written approval by Owners entitled to cast more than fifty percent of the total number of votes shall be required to borrow any sum in excess of ten percent of the total Annual Assessment for that fiscal year or, subject to Section 15.4 of the Declaration, mortgage any of the Common Area. The Board of Directors, by a vote of two-thirds of the total number of directors, shall have the right and power to assign and pledge all revenues to be received by the Association, including but not limited to Annual and Additional Assessments in order to secure the repayment of any sums borrowed by the Association from time to time.

(16) Sign deeds, leases, plats of resubdivision and applications for construction permits or similar documents for the Common Area, as may be necessary or desirable in the normal course of the orderly development of the Property, at the request of the Declarant or on its own determination.

(17) Dedicate, lease or transfer any portion of the Common Area or grant or terminate easements, rights-of-way or licenses over and through all the Common Area pursuant to Section 3.2 of the Declaration and subject to the restrictions set forth in Section 15.4 of the Declaration.

(18) In accordance with Section 12.1 of the Declaration, suspend the right of any Owner or other occupant of a Lot, and the right of such Person's household guests, employees, tenants, agents and invitees to use the Common Area.

(19) Acquire, hold and dispose of Lots to enforce the collection of Assessments and mortgage the same without the prior approval of the Owners.

(20) Charge reasonable fees for the use of the Common Area, where appropriate, and for services and allow non-owners to use portions of the Common Area on a fee arrangement determined by the Board.

(21) Do anything else not inconsistent with the Act or the Association Documents.

Section 4.2. Meetings of Directors.

(a) Types of Meetings. The first (organizational) meeting of the Board of Directors following an annual meeting of the Association shall be held within thirty days thereafter at such time and place as shall be determined by a majority of the directors in order to elect Officers, appoint committee members and establish the manner of operation of the Board for the ensuing year. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors; provided, however, that after the Declarant Control Period, such meetings shall be held at least quarterly during each fiscal year. Special meetings of the Board of Directors may be called by the President and shall be called by the President or Secretary upon written request of at least two directors. All meetings of the Board of Directors shall be open to Owners as observers, except that the President or presiding officer may call the Board into executive session on sensitive matters such as personnel, litigation strategy or hearings with respect to violations of the Association Documents or as otherwise permitted by law. Any final action taken by the Board of Directors in executive session shall be recorded in the minutes. The Board of Directors may hold their meetings in the Commonwealth of Virginia or outside the state as the Board may from time to time determine.

(b) Notice. Notice of meetings of the Board of Directors shall be given to each director personally or by mail, telegraph, telecopy, telephone or electronic transmission, orally or in writing, at least three business days prior to the date named for such meeting. Such notice shall state the place, date and time and, in the case of special meetings, the purpose thereof. Notice of meetings shall also be posted or otherwise published in a manner reasonably expected to notify all Owners of the place, date and time of meetings of the Board of Directors and shall be otherwise provided to the Owners as required by the POA Act. No notice of the organizational meeting of the Board of Directors shall be necessary if such meeting is held immediately following the annual meeting.

(c) Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall

constitute a waiver of notice of the time, place and purpose of such meeting, unless the director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened and so notifies the person conducting the meeting at or prior to the commencement of the meeting or, in the case of a special meeting, at or prior to consideration of the matter subject to objection. Subject to the requirements of the POA Act, if all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

(d) Quorum of the Board of Directors. At all meetings of the Board of Directors, a majority of the total number of directors shall constitute a quorum for the transaction of business, and a Majority Vote while a quorum is present shall constitute the decision of the Board of Directors, unless provided otherwise in the Act or the Association Documents. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may recess or adjourn the meeting from time to time. When the recessed or adjourned meeting is reconvened, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. If a meeting is conducted by telephone conference, video conference or similar electronic means, at least one of the directors (or two of the directors if required by law) shall be physically present at the meeting place included in the notice. The audio equipment shall be sufficient for any Owner in attendance to hear what is said by any director participating in the meeting who is not physically present. A director who participates in a meeting by any means of communication by which all participants may simultaneously hear each other during the meeting shall be deemed present at the meeting for all purposes to the extent permitted by the POA Act.

(e) Conduct of Meetings. The President shall preside over meetings of the Board of Directors and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at the meetings. The then current edition of Robert's Rules of Order, Newly Revised, shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Act or the Association Documents.

(f) Rights of Owners. Only to the extent required by the POA Act:

(1) All meetings of the Board of Directors shall be open to all Owners of record.

(2) Notice including the time, date and place of each meeting of the Board of Directors shall be furnished to any Owner who requests such information. Requests by an Owner to be notified on a continual basis shall be made at least once a year in writing and include the owner's name, address, and zip code. Notice, reasonable under the circumstances, of special or emergency meeting shall be given contemporaneously with the notice provided to members of the Board of Directors conducting the meeting.

(3) Unless otherwise exempt as relating to a closed session pursuant to the POA Act, at least one copy of all agenda packets and materials furnished to members of the Board of Directors for a meeting shall be made available for inspection by the Owners at the same time such documents are furnished to the Board of Directors.

(4) Any Owner may make an audio recording of any portion of a meeting required to be open. The Board of Directors conducting the meeting may adopt rules governing the placement and use of equipment necessary for recording a meeting to prevent interference with the proceedings.

(5) Voting by secret or written ballot in an open meeting is prohibited except for the election of Officers.

Section 4.3. Action by Directors Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if a consent in writing setting forth the action taken shall be signed either before or after such action is taken by all of the directors. Any such written consent shall have the same force and effect as a unanimous vote and shall be filed with the minutes of the Board of Directors.

Section 4.4. Number of Directors. During the Declarant Control Period, the Board of Directors shall consist of not less than three nor more than five directors. After the Declarant Control Period, the Board shall consist of five directors.

ARTICLE 5

MANAGING AGENT

Section 5.1. Compensation. The Board of Directors may employ for the purpose of administering the Property a "managing agent" at a compensation to be established by the Board.

Section 5.2. Requirements. The managing agent shall be a bona fide business enterprise or independent contractor, unaffiliated with the Declarant, which manages common interest communities. The managing agent or its principals shall have a minimum of two years' experience in community management and shall employ persons possessing a high level of competence in the technical skills necessary to proper management of the Property. The managing agent must be able to advise the Board of Directors regarding the administrative operation of the Property and shall employ personnel knowledgeable in the areas of insurance, accounting, contract negotiation, labor relations and property management.

Section 5.3. Duties. The managing agent shall perform such duties and services as the Board of Directors shall direct. Such duties and services may include, without limitation, the duties listed in paragraphs (1), (2), (3), (6), (7), (8), (9), (10), (11), (12) and (13) of Section 4.1. The Board of Directors may delegate to the managing agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in paragraphs (4), (5), (14), (15), (16), (17), (18), (19) and (20) of Section 4.1. The managing agent shall perform the obligations, duties and services relating to the management of the Property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of the Act and the Association Documents.

Section 5.4. Standards. The Board of Directors shall impose appropriate standards of performance upon the managing agent. Unless the managing agent is instructed otherwise by the Board of Directors:

- (1) the accrual or modified accrual method of accounting shall be employed and expenses required by these Bylaws to be charged to one or more but less than all Owners shall be accounted for and reported separately;
- (2) two or more persons shall be responsible for handling cash to maintain adequate financial control procedures;
- (3) cash accounts of the Association shall not be commingled with any other entity's accounts;
- (4) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise; any discounts received shall benefit the Association;
- (5) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and
- (6) a financial report shall be prepared for the Association at least quarterly, containing: (i) an "income statement" reflecting all income and expense activity for the preceding period on an accrual basis; (ii) an "account activity statement" reflecting all receipt and disbursement activity for the preceding period on a cash basis; (iii) an "account status report" reflecting the status of all accounts in an "actual" versus "projected" (budget) format; (iv) a "balance sheet" reflecting the financial condition of the Association on an unaudited basis; (v) a "budget report" reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and (vi) a "delinquency report" listing all Owners who are delinquent in paying Assessments and describing the status of any actions to collect such Assessments.

Section 5.5. Limitations. The Board of Directors may employ a managing agent for an initial term not to exceed two years; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year terms. Any contract with the managing agent must provide that it may be terminated, without payment of a termination fee, without cause on no more than ninety days written notice and with cause on no more than thirty days written notice.

ARTICLE 6

OFFICERS

Section 6.1. Designation and Duties of Officers. The principal officers of the Association shall be the President (who shall also serve as Chairman of the Board of Directors), the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may also elect an assistant treasurer, an assistant secretary and such other Officers as in its judgment may be necessary. The President and Vice President shall be Owners, except for those directors designated or elected by the Declarant, and directors. Any other Officers may, but need not, be Owners or directors. Each Officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent (if any) inconsistent with the Act or the Association Documents, and shall perform such other duties as may be assigned to such Officer by resolution of the Board of Directors. If any Officer is unable for any reason to perform the duties of the office, the President (or the Board of Directors if the President fails to do so) may appoint another qualified person to act in such Officer's stead on an interim basis.

Section 6.2. Election of Officers. The Officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Any Officer may hold more than one position; provided, however, that the offices of President, Vice President and Secretary shall be held by three different individuals. Except for death, resignation or removal, the Officers shall hold office until their respective successors shall have been elected by the Board.

Section 6.3. Resignation or Removal of Officers. Any Officer may resign by delivering written notice to the Board of Directors. Unless otherwise specified in the notice, such resignation shall take effect upon the receipt thereof, and acceptance by the Board of Directors of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the total number of directors, any Officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 6.4. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The person appointed to fill a vacancy shall serve for the remainder of the term of the Officer such person replaces.

Section 6.5. President. The President shall be the chief executive officer of the Association; preside at all meetings of the Association and of the Board of Directors; have general and active direction of the business of the Association subject to the control of the Board; see to the execution of the resolutions of the Association and the Board of Directors; see that all orders and resolutions of the Board are carried into effect; and, in general, perform all the duties incident to the Office of President.

Section 6.6. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other director to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

Section 6.7. Secretary. The Secretary shall: keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board may direct and as may be required by section 13.1-932 of the Act and section 55-510 of the POA Act; give or cause to be given all notices required to be given by the Association; give each Owner notice of any Assessment against such Owner's Lot as soon as practical after any such Assessment is made; give each Owner notice of and a copy of the Rules and Regulations and any amendments thereto; maintain a register setting forth the place to which all notices to Owners and Mortgagees hereunder shall be delivered; file or cause to be filed the annual reports required by section 13.1-936 of the Act and section 55-516.1 of the POA Act; or as otherwise required by law; make it possible for any Owner or Mortgagee to inspect and copy at reasonable times and by appointment the records of the Association; and, in general, perform all the duties incident to the Office of Secretary.

Section 6.8. Treasurer. The Treasurer shall: be responsible for Association funds and securities; keep or cause to be kept full and accurate financial records and books of account showing all receipts and disbursements; prepare or cause to be prepared all required financial data, including the Statement of Common Expenses required by Section 6.6 of the Declaration; deposit all monies and other valuable effects in the name of the Board of Directors or the Association in such depositories as may from time to time be designated by the Board; and, in general, perform all the duties incident to the Office of Treasurer.

Section 6.9. Managing Agent. At the direction of the Board of Directors, the managing agent shall assist the Secretary and Treasurer in the performance of their duties.

ARTICLE 7

COMMITTEES

Section 7.1. Required Committees.

(a) Covenants Committee. The Board of Directors shall establish a Covenants Committee as set forth in Article 9 of the Declaration.

(b) Elections Committee. The Board of Directors shall establish an Elections Committee as required in Subsection 5.3(c) of the Articles of Incorporation.

Section 7.2. Other Committees. The Board of Directors may create and abolish from time to time such other committees consisting of two or more persons as the Board may deem appropriate to aid in the administration of the affairs of the Association. Such committees shall have the powers and duties fixed by resolution of the Board from time to time.

Section 7.3. Appointment and Removal. The Board shall appoint the chair of each committee, and may either appoint the other committee members or leave such appointment to the committee chair. The Board of Directors may immediately remove a committee member with or without cause.

Section 7.4. Committee Meetings. The procedures for committee meetings shall be the same as set forth for meetings of the Board of Directors in Section 4.2, and the chair shall serve as the presiding officer of the committee.

Section 7.5. Action by Committee Without a Meeting. Any action required or permitted to be taken at a committee meeting may be taken without a meeting if consent in writing, setting forth the action taken, shall be signed either before or after such action by all of the committee members. Any such written consent shall have the same force and effect as a unanimous vote and shall be filed with the minutes of the committee.

ARTICLE 8

FIDUCIARY DUTIES

Section 8.1. Signature Requirements. Unless otherwise provided in the resolution of the Board of Directors: (1) all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of five percent of the total Annual Assessment for that fiscal year and all checks drawn upon reserve accounts shall be signed by any two persons designated by the Board of Directors; and (2) all such instruments for expenditures or obligations of five percent or less of the total annual assessment for that fiscal year, except from reserve accounts, may be signed by any one person designated by the Board of Directors. Notwithstanding the foregoing, instruments creating or paying obligations for less than Five Thousand Dollars, except for withdrawals from the reserve funds, may be signed by only one person. The managing agent, if so designated by the Board of Directors, or any Officer of the Association may sign a Statement of Common Expenses or an Association Disclosure Packet on behalf of the Association.

Section 8.2. Conflicts of Interest. Each director or Officer shall exercise such director's or Officer's powers and duties in good faith and in the best interests of the Association. Any common or interested director or Officer may be counted in determining the presence of a quorum of any meeting of the Board of Directors, a committee or the Owners which authorizes, approves or ratifies any contract or transaction. The voidability of a transaction involving a director or Officer with a conflict of interest shall be determined in accordance with section 13.1-871 of the Act.

Section 8.3. Liability and Indemnification.

(a) No Personal Liability. The directors, Officers and committee members shall not be liable to the Association or any Owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. Directors and Officers shall have no personal liability with respect to any contract made by them on behalf of the Association. No Owner shall be liable for the contract or tort liability of the Association by reason of ownership or membership therein. Every agreement made by the Board of Directors, the Officers or the managing agent on behalf of the Association shall, if obtainable, provide that

the directors, the Officers or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder.

(b) Indemnification. The Association shall indemnify the directors, Officers and committee members to the extent that it is contemplated a nonstock corporation may indemnify its directors, officers and employees pursuant to sections 13.1-875 through 13.1-883 of the Act; provided, however, that before the Association uses association funds for indemnification, all insurance proceeds must be obtained and applied toward such indemnification. The foregoing right of indemnification shall not be exclusive of any other rights to which a person may be entitled by law, agreement, vote of the Owners or otherwise.

(c) Directors and Officers Liability Insurance. The Association shall have the power, pursuant to Article 10 of the Declaration, to purchase and maintain insurance on behalf of any person who is or was a director, Officer or committee member against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under the provisions of this section. Further, the availability of the Association's indemnity shall not relieve any insurer of any liability under an insurance policy held by the Association.

Section 8.4. Compensation of Directors and Officers. The Association may pay a recording secretary. Otherwise, no salary or other compensation shall be paid by the Association to any director or Officer of the Association for serving or acting as such, but this shall not preclude the payment of salary or other compensation for the performance by such director or Officer of other services to the Association nor shall it preclude the reimbursement of reasonable, ordinary and necessary expenses incurred in serving or acting as a director or Officer.

ARTICLE 9

BOOKS AND RECORDS

Section 9.1. Maintenance. The Association shall keep books and records as required by section 13.1-932 of the Act and section 55-510 of the POA Act and as otherwise required by law. The Association shall keep records of: (i) its governing documents (i.e., Association Documents, Rules and Regulations and Design Guidelines); (ii) its actions (Board resolutions, meeting minutes, etc.); and (iii) its financial condition (receipts and expenditures affecting the finances, operation and administration of the Association, budget, financial statements, etc.). All books and records shall be kept in accordance with generally accepted accounting principles, and the same shall be audited at least once a year by an auditor retained by the Board of Directors who shall not be an Owner or an employee of an Owner. The cost of such audit shall be a Common Expense. The audit shall be available within one-hundred twenty days after the end of the fiscal year.

Section 9.2. Availability. The books and records of the Association shall be available for examination by the Owners, their attorneys, accountants, Mortgagees and authorized agents

during general business hours on business days at the times and in the manner established by the Board of Directors for the general knowledge of the Owners in accordance with and subject to the limitations permitted by section 13.1-933 of the Act and section 55-510 of the POA Act or as otherwise required by law; provided, however, that the Association is not required to maintain or make available records over three years old unless otherwise required by law. The list of Owners required by Section 2.8 shall be available for inspection for a period of ten days prior to the meeting and at the meeting. Pursuant to Section 13.3 of the Declaration, all Mortgagees or their authorized representatives shall have the right to examine the books and records of the Association on the same terms and conditions as the Owners. The Board of Directors may fix from time to time a reasonable charge to cover the direct and indirect costs of providing any documents.

Section 9.3. Fiscal Year. The first fiscal year of the Association shall begin on the date of the conveyance of the first Lot to an Owner other than the Declarant or a Builder and end on the last day of December, unless otherwise determined by the Board of Directors. Each subsequent fiscal year shall commence on January 1 and end on December 31, unless otherwise determined by the Board of Directors.

Section 9.4. Association Filings. The Association shall also file and maintain the annual reports required to be filed with the Virginia State Corporation Commission by section 13.1-936 of the Act and with the Virginia Real Estate Board by section 55-516.1 of the POA Act.

ARTICLE 10

NOTICES

Except as specifically provided otherwise in the Act, the POA Act or the Association Documents, all notices, demands, bills, statements or other communications under the Association Documents shall be in writing and shall be deemed to have been duly given if hand delivered personally to the Owner or the Owner's address of record or delivered by telegraph, teletype or other form of wire, wireless or electronic communication or by private carrier or sent United States mail, postage prepaid pursuant to section 13.1-810 of the Act, or if notification is of a default, hearing or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid: (1) if to an Owner, at the address which the Owner shall designate in writing and file with the Secretary or, if no such address is designated for an Owner, at the address of a Lot owned by such Owner; (2) if to the Association, the Board of Directors or to the managing agent, at the principal office of the managing agent or at such other address as shall be designated by notice in writing to the Owners pursuant to this section; or (3) if to a Mortgagee, at the address indicated by the Mortgagee in a written notice to the Association. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the address shown in the Association records. Notice of meetings may be included as part of the Association's newsletter, if the newsletter is delivered to every Lot, or published in a newspaper of general circulation as permitted by subsection 13.1-810 B of the Act. If a Lot is owned by more than one Person, notice to one of the Persons comprising the Owner is sufficient notice to the Owner.

ARTICLE 11

AMENDMENTS

These Bylaws may be amended by a Majority Vote of the Owners if a copy of the proposed amendment or a summary thereof has been inserted in the notice of meeting or all of the Owners are present in person or by proxy. No amendment to these Bylaws may diminish or impair the rights of the Declarant under the Bylaws without the prior written consent of the Declarant. No amendment to these Bylaws may diminish or impair the rights of the Mortgagees under the Bylaws.

WE, THE INITIAL DIRECTORS OF THE ASSOCIATION, HAVE ADOPTED THESE BYLAWS ON _____, 20____, AS EVIDENCED BY OUR SIGNATURES BELOW.

_____, 20____
Date

Director
Printed Name: _____

_____, 20____
Date

Director
Printed Name: _____

_____, 20____
Date

Director
Printed Name: _____

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, a Virginia nonstock corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted by the Board of Directors pursuant to the Organizational Minutes dated _____, 20_____.

IN WITNESS WHEREOF, I have hereunto subscribed my name on _____, 20_____.

SECRETARY

Exhibit A
to the Bylaws

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION

INSTRUCTIONS FOR PROXIES

1. USE THE PROXY ONLY IF YOU DO NOT WISH TO VOTE IN PERSON.
2. A PROXY SHOULD BE SIGNED BY ALL OWNERS OF RECORD OF THE LOT OR LOTS, BUT SIGNATURE BY ONE OWNER IS SUFFICIENT. IF THE VOTER IS AN ENTITY, THEN THE PROXY MUST BE SIGNED BY AN OFFICER OF THE ENTITY.
3. THE PROXY MAY BE REVOKED ONLY BY ACTUAL NOTICE TO THE PRESIDENT OF THE ASSOCIATION (OR OTHER PERSON PRESIDING OVER THE MEETING IF NOT THE PRESIDENT).
4. Print your name, address and Lot number(s).
5. Print the name of the person you wish to designate as your proxy.
6. If you wish to have someone else vote on your behalf (Uninstructed Proxy): Check appropriate box. If you are granting an uninstructed proxy, the proxy holder may decide how to cast your vote on any issues raised at the meeting.
7. If you wish to indicate your vote (Instructed Proxy): Check the appropriate box and fill in the names of the candidates for the Board of Directors for whom you wish to vote or your vote for or against each question to be decided.
8. Give the proxy form to the person you have designated as your proxy.
9. File a copy of the proxy with the Secretary at the meeting. If possible, please mail or deliver a copy of the proxy in advance to New Town Meadows Homeowners Association,

c/o _____, Secretary, _____

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION

PROXY FORM

Address _____ Lot No(s) _____

(I) (WE) _____ AND _____
Print Name *Print Name*

under the provisions of Section 3.4 of the Bylaws, hereby grant(s) (MY) (OUR) a proxy to _____ * for the sole purpose of casting (MY)(OUR) votes at the meeting on _____, 20__ or any subsequent meeting called due to a failure to obtain a quorum at the first attempt to hold the meeting.

*IF NO OTHER NAME IS FILLED IN, THE PROXY SHALL BE AUTOMATICALLY GRANTED TO THE THEN PRESIDENT OF THE ASSOCIATION.

Check the appropriate box:

The person named in this proxy may cast the votes appurtenant to the Lot(s) referenced above for any _____ candidates for the Board of Directors he or she chooses.

The person named in this proxy must cast the votes appurtenant to the Lot(s) referenced above for the following candidates for the Board of Directors:

The person named in this proxy must cast my votes [check one box]:

For Against As he/she sees fit

_____ *question to be decided*

The person named in this proxy may/ may not cast the votes appurtenant to the Lots(s) referenced above on any other matter that may arise at the meeting as he or she sees fit.

Owner's Signature

Owner's Signature

Date: _____

Date: _____

NOTE: A COPY OF THE PROXY MUST BE FILED WITH THE SECRETARY AT THE MEETING.

Exhibit B
to the Bylaws

**NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION
ASSOCIATION DISCLOSURE PACKET NOTICE**

This form is based on the form developed by the Real Estate Board in accordance with § 54.1-2105 of the Code of Virginia and is to accompany the association disclosure packet required by § 55-512 of the Code of Virginia.

Note to prospective purchasers: The lot you are considering purchasing is in a development which is subject to the provisions of the Virginia Property Owners' Association Act. Living in a community association carries with it certain rights, responsibilities and benefits.

Some of the benefits include the right to use common areas, which may include swimming pools, parks, playgrounds and other recreational facilities. In order to finance the operation of the community, each owner is responsible for and obligated to pay regular assessments, and if necessary, special assessments to ensure that the financial requirements are met. Failure to pay any of these assessments may result in a lien being placed on your property.

The use of common areas, financial obligations of lot owners' and other information concerning the rights, responsibilities and benefits resulting from the purchase of a lot in this common interest community are subject to the provisions of governing documents that typically include a declaration, bylaws, articles of incorporation, rules and regulations and design guidelines. These documents play an important role in association living and should be reviewed carefully prior to your purchase.

Some decisions of your association will be made by the board of directors, while others will be made by a vote of all association members, made up of the other lot owners in your development. You will be bound by all decisions of the association and the board of directors. The documents cited above contain information concerning the selection of directors, meetings, voting, requirements, and other important information you should become familiar with. **REMEMBER:** Failure to comply with the governing documents of your association can result in legal action being taken against you.

You may wish to become active in your association, either by running for the board of directors or by serving on a committee. Your involvement is important, as you will be bound by all decisions of the association and the board of directors.

ALL DOCUMENTS AND INFORMATION CONTAINED IN THIS DISCLOSURE PACKET PLAY AN IMPORTANT ROLE IN LIVING WITHIN A COMMON INTEREST COMMUNITY AND SHOULD BE REVIEWED CAREFULLY PRIOR TO YOUR PURCHASE OF THE PROPERTY. THOSE DOCUMENTS INCLUDE: DECLARATION, ARTICLES OF INCORPORATION, BYLAWS AND RULES AND REGULATIONS.

The Association may charge a fee for the preparation of this Association Disclosure Packet as allowed by law.

NEW TOWN MEADOWS HOMEOWNERS
ASSOCIATION

Date: _____, 20____

By _____
Officer:

I hereby acknowledge that I received this Association Disclosure Packet on _____, 20____.

By _____
Owner:

I hereby acknowledge that I have received and read the information contained in this Association Disclosure Packet on _____, 20____.

By _____
Purchaser:

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION
ASSOCIATION DISCLOSURE PACKET

TO: _____

FROM: New Town Meadows Homeowners Association
State of Incorporation: Virginia
Name and Address of Registered Agent:
Robert M. Diamond
3110 Fairview Park Drive, Suite 1400
Falls Church, Virginia 22042

RE: Lot No. _____, NEW TOWN MEADOWS
Town of Lovettsville, Loudoun County, Virginia

DATE REQUEST RECEIVED: _____, 20____
Month Day Year

DATE ISSUED: _____, 20____
Month Day Year

In accordance with section 55-512 of the Virginia Property Owners' Association Act, as amended, the Association hereby represents that based on its best knowledge and belief, the information set forth below is accurate as of the date hereof.

A. The status of Assessments and mandatory fees or charges with respect to the Lot is as follows:

Current Assessment due _____ \$ _____
Due Date

Assessment in arrears _____ \$ _____
Period Covered

Other fees or charges due _____ \$ _____
Description

Fees or charges in arrears _____ \$ _____
Description

TOTAL DUE \$ _____

Known Assessments, fees and charges
for the current fiscal year not yet due \$ _____*

* The Monthly Assessment for 20____ is \$ _____
Year Amount

The Association levies Annual Assessments (which may be payable in equal periodic installments) to pay Common Expenses. Additional Assessments may also be levied for the same purpose. A fee of \$ _____ is currently charged by the Association for the preparation of an Association Disclosure Packet (such as this one). A late charge of \$25.00 is currently applied to any Assessment or installment thereof not paid within ten days after the date it becomes due. The Association also has the power pursuant to Articles 6 and 12 of the Declaration and section 55-513 of the Virginia Property Owners' Association Act to levy Individual Assessments against a specific Owner for failing to comply with the provisions of the Association Documents. There are no other fees or charges imposed by the Association or any other entity or facility in connection with the Property, except as stated below:

**[Fill in if applicable, i.e., Initial Capital Payment
for new purchasers]**

B. There are no expenditures of funds approved by the Association or the Board of Directors which will require an Additional Assessment during the current year or the immediately succeeding fiscal year, except as follows:

[Fill in if applicable.]

C. As of the date hereof, there is an outstanding balance in the reserve for replacement funds (reserve accounts) of approximately \$ _____. Of that balance, the following amounts, if any, have been designated by the Board of Directors for the following specific projects:

[Fill in if applicable.]

D. Attached are (1) a copy or summary of the current operating budget, and (2) a copy of the income and expense statement or a statement of financial condition for the year ended _____, 20____, the most recent fiscal year for which such statement is available.

E. There are no unsatisfied judgments against the Association nor any pending suits (other than collection cases) in which the Association is a party which either could or would have a material impact on the Association or which relate to the Lot referenced above, except as follows:

[Fill in status and nature if applicable.]

F. The Association holds hazard, property damage and liability insurance policies covering the Common Area as required by the Declaration in the following amounts: _____ hazard and property damage; _____ liability. The Association also maintains fidelity coverage in the amount of _____. Each Owner should obtain insurance covering property damage to such Owner's Lot and personal property contained therein as well as insurance covering personal liability. You are urged to review Article 10 of the Declaration and the applicable Supplementary Declaration, and to consult with

your insurance agent. Copies of the insurance policies are available for inspection or information is obtainable as follows:

[Fill in contact for insurance information.]

G. The Association has not given notice to the Owner of the Lot and has no knowledge of whether improvements or alterations made to the Lot or uses made of the Lot or any Common Area assigned to the Lot, if any, are in violation of the documents listed in Paragraph H except as follows:

[Fill in if applicable.]

H. Attached is a copy of the Declaration, any applicable Supplementary Declaration, Articles of Incorporation, Bylaws, Rules and Regulations and Design Guidelines of the Association (to the extent such documents exist), including all amendments. The Association restricts, regulates, limits or prohibits "for sale" signs placed on a Lot advertising such Lot. The Association also restricts, regulates and limits the size, place and manner of placement or display of flags and banners and prohibits the installation of any free-standing flagpole or similar structure.

I. All Owners except Builders have voting rights in the Association. The Class A Owners shall be the Owners of Lots, other than the Declarant during the Declarant Control Period. A Class A Owner shall have one vote for each Lot owned by such Owner. The Class B Owner shall be the Declarant. The Declarant shall have 230 votes less the number of votes held by the Class A Owners when a vote is taken. After the Declarant Control Period expires, the Declarant shall have one vote as a Class B Owner and the Declarant shall also become a Class A Owner and have Class A votes with respect to the Lots owned by the Declarant. The Class B membership shall expire at the end of the Development Period.

J. Each Owner is liable to the Association for any costs incurred by the Association and the expense of all Upkeep rendered necessary by such Owner's act or omission, the act or omission of such Owner's tenants and such Owner's (or tenant's) household, guests, employees, agents and invitees, regardless of neglect or culpability. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot or its appurtenances.

K. The purchaser of a Lot is jointly and severally liable with the selling Owner for all unpaid Assessments against the latter for the proportionate share of the Common Expenses up to the time of recordation of the deed transferring title, not to exceed: (i) the amount shown on a Statement of Common Expenses; or (ii) if no Statement of Common Expenses is obtained, the amount shown on the assessment or judgment lien against the Lot filed in the Land Records; or (iii) if no Statement of Common Expenses is obtained and no assessment or judgment lien against the Lot has been filed, the amount owed not to exceed six monthly installments of the Annual Assessment, including Limited Common Expenses, in any case without prejudice to the purchaser's right to recover from the selling Owner amounts paid by the purchaser therefor. The Lot also remains subject to a lien for the amount owed to the Association, if any.

L. The Lot is not also subject to the jurisdiction of another association.

The Association contact for questions regarding this Disclosure Packet is _____
Name

Address *Telephone Number*

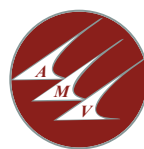
NOTE: Pursuant to Section 12.1(k) of the Declaration, upon acquiring title to a Lot each new Owner shall immediately give written notice to the Secretary of the Association stating the name and address of such new Owner and the number or address of the Lot. If a new Owner gives such notice within thirty days after acquiring title to a Lot, there will be no charge for adding such Owner's name to the Association records. After thirty days there will be a charge of \$_____ assessed against such Owner to cover the administrative costs of record keeping.

THE ASSOCIATION HAS FILED WITH THE VIRGINIA REAL ESTATE BOARD THE ANNUAL REPORT REQUIRED BY SECTION 55-516.1 OF THE CODE OF VIRGINIA (1950):

FILING NO. _____, **EXPIRATION DATE** _____

New Town Meadows HOA

Declaration/CC&Rs



AMERICAN MANAGEMENT

OF VIRGINIA

DECLARATION
OF
COVENANTS
CONDITIONS
AND
REGULATIONS

DECLARATION
 FOR
 NEW TOWN MEADOWS

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SUBMITTED LAND
ADDITIONAL LAND

EXHIBIT A
EXHIBIT B

DECLARATION
FOR
NEW TOWN MEADOWS

THIS DECLARATION is made as of _____, 20____, by LOVETTSVILLE DEVELOPMENT PARTNERS, LLC, a Virginia limited liability company ("Declarant"), NVR, INC., a Virginia corporation ("Landowner") and NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, a Virginia nonstock corporation ("Association").

RECITALS:

R-1 The Declarant owns in fee simple certain real estate, and has the consent of Landowner, the fee simple owner of certain other real estate, which collectively are designated as Submitted Land in the legal description attached as Exhibit A (and incorporated by this reference) and the Declarant desires to subject that real estate to the covenants, restrictions, reservations, easements, servitudes, liens and charges set forth in this Declaration.

R-2 The Declarant also wishes to reserve the right to add the real estate designated as Additional Land in the legal description attached as Exhibit B (and incorporated by this reference), as both of the same may be amended by the Declarant from time to time, and may hereafter decide to subject all or any portion of that Additional Land to the provisions of this Declaration.

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

R-4 To provide a means for meeting the purposes and intents set forth herein, the Declarant has caused New Town Meadows Homeowners Association to be incorporated under the laws of the Commonwealth of Virginia whose members shall consist of all owners of real estate within the Property.

DECLARATION:

The Declarant, with the consent of Landowner hereby covenants and declares, on behalf of itself and its successors and assigns, that from the date this Declaration is recorded, the real estate designated as Submitted Land in Exhibit A shall be held, conveyed, acquired and encumbered subject to the terms and provisions hereof, all of which shall run with the land and bind and inure to the benefit of all Persons who may now or hereafter own or acquire any right, title, estate or interest in or to any of such real estate, or who may now or hereafter occupy or enter upon any portion thereof, subject to the right of the Declarant or the Association to amend this Declaration in accordance with the provisions for amendment set forth herein. The Association joins in this Declaration for the purpose of accepting the rights, powers, responsibilities and obligations set forth herein.

PART ONE

ARTICLE 1

GENERAL PROVISIONS

Section 1.1. Definitions.

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

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

(2) "Additional Land" means the real estate so designated in Exhibit B, as amended from time to time, which the Declarant has reserved the right to submit to the Declaration and to the jurisdiction of the Association pursuant to Section 4.1.

(3) "Approval of Secondary Mortgage Market Agencies or Mortgagees" means: (i) written approval; (ii) any written waiver of approval rights; (iii) a formal letter stating no objection; and (iv) presumptive approval if a Secondary Mortgage Market Agency or Mortgagee does not respond to a notice by certified or registered United States mail, return receipt requested, within thirty days after the date the request for approval is transmitted in accordance with the notice requirements of Articles 1 and 10 of the Bylaws and Sections 13.2 and 15.4.

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

(5) "Assessments" means the sums levied against the Lots to pay Common Expenses and other expenditures by the Association, as provided in Article 6. Assessments include "Annual Assessments", "Additional Assessments," and "Individual Assessments."

(6) "Association" means New Town Meadows Homeowners Association and, with respect to the rights and obligations of the Association set forth in this Declaration, its successors and assigns.

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



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

(9) "Builder" means a Person (other than the Declarant) who in the regular course of business purchases real estate solely for the purpose of constructing improvements for resale.

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

(11) "Common Area" means, at any given time, all of the Property other than Lots, then owned by the Association and available to the Association for the benefit, use and enjoyment of the Owners; provided, however, that real estate within the Property is not Common Area solely because it is burdened by an easement for utilities, landscaping, storm water management or signage or dedicated as a public street or roadway even though the Association may provide Upkeep for such area. A portion of the Common Area which the Association has the right to use and/or maintain, such as Trails, alleys, sidewalks, storm water management lakes or otherwise, for the benefit of the Owners may be located within a Lot. For the purposes of jurisdiction, Upkeep, operation and control, such portion of the Lot shall be treated as Common Area; for purposes of ownership, such portion shall be part of the Lot.

(12) "Common Expenses" means all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation and maintenance of reserves pursuant to the provisions of the Association Documents. Except when the context clearly requires otherwise, any reference to Common Expenses includes Limited Common Expenses.

(13) "Covenants Committee" means the committee that may be established pursuant to Article 9 to assure that the Property will be maintained in a manner consistent with the purposes and intents of this Declaration.

(14) "Declarant" means Lovettsville Development Partners, LLC, a Virginia limited liability company. Following recordation of a document assigning to another Person all or some of the rights reserved to the Declarant under the Association Documents pursuant to Section 5.2, the term "Declarant" shall mean or include that assignee.

(15) "Declarant Control Period" means the period beginning on the date of incorporation of the Association and ending on the earliest of: (1) the later of (i) the tenth anniversary of the date of recordation of the Declaration or (ii) the fifth anniversary of the date of recordation of the most recent Supplementary Declaration adding Additional Land; provided, however, that once the Declarant Control Period has expired, the recordation of a subsequent Supplementary Declaration shall not reinstate the Declarant Control Period; and provided, further, that if the Declarant is delayed in the improvement and development of the Property due to a sewer, water or building permit moratorium or other cause or event beyond the Declarant's control, then the aforesaid period shall be extended for the period of the delay or three years, whichever is less; (2) the date the number of votes of the Class A Owners equals the number of



votes of the Class B Owner; or (3) the date specified by the Declarant in a written notice to the Association that the Declarant Control Period is to terminate on that date.

(16) "Declaration" means this Declaration for New Town Meadows made by the Declarant and recorded among the Land Records, as amended from time to time and, except when the context clearly requires otherwise, includes all Supplementary Declarations.

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

(18) "Development Period" means the period of time that the Declarant or any Builder is engaged in development or sales, or activities relating thereto, anywhere on the Property or the Additional Land and the Declarant is entitled to exercise certain special declarant rights (as described in Article 5) under the Association Documents. When all the Submitted Land is owned by Owners other than the Declarant (or a lender holding special declarant rights) or a Builder, all the Additional Land is owned by Owners other than the Declarant and all bonds held by and warranties made to a governmental agency with respect to the Property and the Additional Land have been released, then the Development Period shall end.

(19) "Development Plan" means the concept development plan or site plan or plans for the Submitted Land as approved by authorized officials of the Town of Lovettsville, Virginia on November 19, 2003, as amended from time to time. Although the Declarant may develop the Submitted Land substantially in accordance with the Development Plan and the Proffers, as hereinafter defined, the Declarant reserves the right to modify the Development Plan and the Proffers, subject only to the requirements and procedures of the Town.

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

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

(22) "Limited Common Expenses" means Common Expenses benefiting one or more but less than all of the Owners and assessed against the Lots benefited pursuant to paragraph (2) of Subsection 6.2(a).

(23) "Lot" means a portion of the Property designated as a separate subdivided lot of record or any other parcel of Submitted Land held in separate ownership (but not including any Common Area or real estate dedicated for public purposes) and includes any improvements thereon.

(24) "Majority Vote" means a simple majority (more than fifty percent) of the votes entitled to be cast in person or by proxy at a duly held meeting at which a quorum is present. Any specified percentage vote means that percentage with respect to the total number of

votes actually cast by Owners entitled to vote on an issue present in person or by proxy at a duly held meeting at which a quorum is present. Any vote by a specified percentage of the Board of Directors (or committee) means that percentage with respect to votes entitled to be cast at a duly held meeting of the Board (or committee) at which a quorum is present. Any vote of or approval (whether actual or presumed) by a specified percentage of the Mortgagees is calculated according to the number of votes allocated to the Lots (or the Owners of the Lots) on which each Mortgagee has a Mortgage.

(25) "Mortgagee" means an institutional lender (one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds or business trusts, including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities) holding a first mortgage or first deed of trust ("Mortgage") encumbering a Lot which has notified the Association of its status in writing pursuant to Section 13.2 and has requested all rights under the Association Documents. Only for the purpose of the notice and inspection rights in Articles 13, 14 and 15, the term "Mortgagee" shall also include the Federal Housing Administration ("FHA"), the Federal Home Loan Mortgage Corporation ("FHLMC"), Fannie Mae (formerly the Federal National Mortgage Association) ("FNMA"), the Department of Veterans Affairs ("VA"), the Government National Mortgage Association ("GNMA") and any other public or private secondary mortgage market agency participating in purchasing, guarantying or insuring Mortgages which has notified the Association of such participation in writing (together the "Secondary Mortgage Market Agencies"). Where the approval of Mortgagees is required, such approval means: (i) written approval; (ii) any written waiver of approval rights; (iii) a letter stating no objection; or (iv) presumptive approval if a Mortgagee does not respond to a notice by certified or registered United States mail, return receipt requested, within thirty days after the date the request for approval is transmitted in accordance with the notice requirements of Article 10 of the Bylaws and Sections 13.2 and 15.4.

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

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

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

(29) "Phase" means a portion of the Property designated as provided in Section 4.3.

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

(31) "Proffers" means the proffers applicable to the Submitted Land or the Additional Land, as approved by the Town of Lovettsville, Virginia, as amended from time to time, including the restated proffers contained in that certain Settlement Agreement dated May 14, 2002, between Mountain Venture Partnership, Lovettsville II, James P. Campbell, Trustee, Declarant and the Town. Although the Declarant intends to develop the Property substantially in accordance with the Development Plan and the Proffers, the Declarant reserves the right to modify the Development Plan and Proffers subject only to the requirements and procedures of the Town.

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

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

(34) "Submitted Land" means the real estate designated as such in Exhibit A and all real estate which is from time to time submitted to this Declaration and subjected to the jurisdiction of the Association. Submitted Land includes Common Area and Lots.

(35) "Supplementary Declaration" means any declaration: (i) submitting real estate to the terms of this Declaration and subjecting such real estate to the jurisdiction of the Association, whether or not such Supplementary Declaration contains additional provisions reflecting the unique characteristics of the real estate being submitted; or (ii) submitting a portion of the Property to such supplementary covenants in accordance with the provisions of Article 4. A Supplementary Declaration may be part of a Deed of Subdivision.

(36) "Town" means the Town of Lovettsville located in Loudoun County, Virginia. All references to approval by the Town mean approval by the appropriate agency or official of the Town, as determined by the office of the Town Attorney at the time.

(37) "Trails" means the paths and trails constructed by the Declarant, a Builder or an Owner pursuant to an agreement with the Declarant across Lots and any Common Area, for which the Association is to provide Upkeep and which is available for the use and enjoyment of all Owners.

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

(39) "Visible from Neighboring Property" means with respect to any given object on a Lot, that such object is or would be visible to a person six feet tall, standing on any part of any adjacent Lot or other real estate at an elevation no greater than the elevation of the base of the object being viewed.

Section 1.2. Construction of Association Documents.

- (a) Captions; Cross-references. The captions are inserted only for reference, and in no way define, limit or otherwise affect the scope, meaning or effect of any provision. All cross-references are to the Declaration unless otherwise indicated.
- (b) Pronouns. The use of the masculine gender shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires.
- (c) Severability. Each provision of an Association Document is severable from every other provision, and the invalidity of any one or more provisions shall not change the meaning of or otherwise affect any other provision. To the extent that any provision of the Association Documents is found to be overly broad or unenforceable and a narrower or partially enforceable construction may be given to such provision, then the narrower or partially enforceable construction shall be applied and, to the extent practicable, the provision shall be enforced.
- (d) Interpretation. If there is any conflict between the Association Documents, this Declaration and then the applicable Supplementary Declaration shall control, except as to matters of compliance with the Act, in which case the Articles of Incorporation shall control. Specific provisions shall control general provisions, except that a construction consistent with the Act shall in all cases control over any construction inconsistent therewith. The provisions of the Bylaws shall control over any conflicting provision of any rule, regulation or other resolution adopted pursuant to any of the Association Documents. The Association Documents shall be construed together and shall be deemed to incorporate one another in full. Any requirements as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others.
- (e) No Merger; Savings Clause. The easements granted and reservations made herein or in any Supplementary Declaration shall not terminate or merge and shall continue to run with the Land, notwithstanding the common law doctrine of merger and the common ownership of the Property at this time by the Declarant. If the intended creation of any easement provided for in this Declaration should fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to be so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees for the purpose of allowing the Persons to whom the easement were originally to have been granted the benefit of such easement.
- (f) Ambiguities Resolved by Declarant. If there is any ambiguity or question as to whether any Person, real estate or improvement falls within any of the definitions set forth in Article 1, the determination made by the Declarant (as evidenced by a recorded Supplementary Declaration) shall be binding and conclusive.
- (g) Use of New Technology. Due to the ongoing development of new technologies and corresponding changes in business practices, to the extent permitted by law now or in the future: (1) any notice required to be sent or received; (2) any signature, vote,

consent or approval required to be obtained; or (3) any payment required to be made, under the Association Documents may be accomplished using the most advanced technology available at that time if such use is a generally accepted business practice. The use of technology in implementing the provisions of this Declaration dealing with notices, payments, signatures, votes, consents or approvals shall be governed by Section 1.2 of the Bylaws.

Section 1.3. The Association.

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

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

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

The Class A Owners shall be the Owners of Lots other than the Declarant or a Builder during the Declarant Control Period. A Class A Owner shall have one vote for each Lot owned by such Owner.

The Class B Owner shall be the Declarant. During the Declarant Control Period, the Class B Owner shall have 230 votes less one vote for each vote held by a Class A Owner when a vote is taken. If (i) the land described in Exhibits A or B is rezoned or the Development Plan is amended to permit a greater number of dwellings (or the Declarant obtains other approval to permit a greater number of dwellings) to be constructed than permitted at the time the Declaration is recorded, then the number of votes of the Class B Owner described above shall be increased by one and one-half times the number of additional dwellings permitted; or (ii) all or any portion of the land that was not originally described in Exhibits A or B to the Declaration is subjected to the Declaration, then the number of votes of the Class B Owner described above shall be increased by one and one-half times the number of dwellings that would be permitted on any Lots located on the whole of such residential land if such land were fully developed under the then applicable zoning and subdivision ordinances and subjected to the Declaration. After the Declarant Control Period expires, the Declarant shall have one vote as a Class B Owner and the Declarant shall also become a Class A Owner and have Class A votes with respect to the Lots owned by the Declarant. The Class B membership shall expire at the end of the Development Period.

Any Person (including the Declarant) qualifying as a member of more than one voting class may exercise those votes to which such Person is entitled for each such class; provided, however, that such Person shall not simultaneously have more than one class of vote for the same Lot.

(d) Board Authority to Act. The Board of Directors is responsible for the management and Upkeep of the Property and the administration of the Association. Unless otherwise specifically provided in the Act, the POA Act or the Association Documents, all rights, powers, easements, obligations and duties of the Association may be performed by the Board of Directors on behalf of the Association without the joinder or approval of any Owner or Mortgagee.

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

ARTICLE 2

COMMON AREA

Section 2.1. Conveyance; Title. The Declarant shall convey the Common Area in each Phase of the Property to the Association in fee simple released from any encumbrance securing the repayment of monetary obligations incurred by the Declarant, but subject to all easements and other encumbrances then of record (including those created by this Declaration). The Common Area in each Phase of the Property shall be conveyed to the Association before the conveyance of a Lot in such Phase to an Owner other than the Declarant or a Builder. The Association shall accept title to any real estate or personal property offered to the Association by the Declarant or as directed by the Declarant. The Declarant will try to identify specifically the Common Area, but such identification shall not be required in order for the real estate to be Common Area. If the Declarant determines that a particular parcel of real estate is or is not Common Area, such determination shall be binding and conclusive. The Common Area may change from time to time. Accordingly, references to Common Area shall be deemed to refer to the Common Area at the relevant time.

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

Section 2.3. Regulation of Common Area. The Board of Directors shall have the right to regulate use of the Common Area pursuant to Section 8.3 and to charge fees for the use of Common Area, if appropriate. The Board may also allow non-Owners to use portions of the Common Area. The Board of Directors may also mortgage, dedicate or convey Common Area owned in fee simple by the Association or grant easements over and through the Common Area subject to the restrictions in Section 15.4.

Section 2.4. Transfer of Responsibility for Upkeep. When the Declarant or a Builder substantially completes improvements on any portion of the Common Area and transfers responsibility for Upkeep for any portion of the Common Area to the Association, the Declarant or Builder shall provide written notice to the Association, specifying the Common Area or improvements for which responsibility is being transferred. When the Declarant or Builder transfers the responsibility for Upkeep of any portion of the Common Area to the Association, any improvements located thereon shall be substantially complete, all work (except for such work which cannot be performed due to the weather conditions or the season of the year, which the Declarant or Builder will be obligated to complete when weather conditions permit) required by the site plan shall be either completed or bonded with the Town, if required by law. When the Association assumes responsibility for Upkeep for a completed portion of the Common Area, the Association shall cooperate with the Declarant or Builder to obtain release of Town bonds. If such Common Area and the improvements located thereon are not in such condition, the Association shall notify the Declarant or Builder in writing, specifying the deficiencies, whereupon the Declarant or Builder shall have until the later of the bond release or sixty days after the date of the notice of the deficiencies to remedy the deficiencies.

Section 2.5. Additional Improvements on Common Area. After the initial improvement and conveyance of any Common Area to the Association, the Declarant or a Builder may, but is not obligated to, construct additional improvements on the Common Area for the benefit of the Property, pursuant to the easements in Section 3.1.

Section 2.6. Boundary Adjustments. The Board of Directors has the power at any time or times, consistent with the then existing zoning or subdivision ordinances of the applicable governmental authority, and pursuant to a recorded subdivision, resubdivision plat or boundary line adjustment plat, to transfer part of the Common Area at the direction of the Declarant, for the purpose of adjusting Lot lines or otherwise in connection with the orderly subdivision and development of the Property; provided, however, that: (i) such transfer shall not reduce the portion of the Property designated as "open space" below the minimum level of "open space" required in the subdivisions comprising the Property at the time of the transfer; (ii) if the transfer results in a material reduction in the amount of Common Area (more than an acre), then the Declarant shall transfer or cause to be transferred to the Association such real estate as may be necessary to maintain the total acreage designated as "Common Area" at that level existing at the time of the transfer or the Association shall be otherwise reasonably compensated; (iii) the appropriate governmental authorities approve such Lot line adjustments; (iv) documents showing each such Lot line adjustment are submitted to VA if VA is guarantying a Mortgage on a Lot directly affected by the adjustment, or FHA if FHA is insuring a Mortgage on a Lot directly affected by the adjustment; and (v) the boundary line adjustment is approved by all Owners of Lots for which the boundaries are being adjusted.

ARTICLE 3

EASEMENTS

Section 3.1. Development Easements.

(a) Easements Reserved to the Declarant.

(1) Easement to Facilitate Development. The Declarant hereby reserves to itself and its designees a nonexclusive blanket easement over and through the Property for all purposes reasonably related to the development and completion of improvements on the Property and the Additional Land, including without limitation: (i) temporary slope and construction easements; (ii) drainage, erosion control and storm and sanitary sewer easements (including the right to cut or remove trees, bushes or shrubbery, to regrade the soil and to take any similar actions reasonably necessary; provided, however, that thereafter the Declarant shall restore the affected area as near as practicable to its original condition); (iii) easements for the storage (in a sightly manner) of reasonable supplies of building materials and equipment necessary to complete the improvements; (iv) easements for the construction, installation and Upkeep of improvements (e.g., buildings, landscaping, street lights, signage, etc.) on the Property and the Additional Land or reasonably necessary to serve the Property or the Additional Land; and (v) easements for ingress and egress as necessary to perform the foregoing.

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

(3) Easement for Utilities and Related Services.

(A) General Utility Easement. A non-exclusive perpetual blanket easement is hereby granted over and through the Property for ingress, egress, installation and Upkeep of the equipment for providing to any portion of the Property or adjacent real estate, any utilities, including without limitation water (both potable and for irrigation from wells or other sources), sewer, drainage, gas and electricity, telephone, television or other telecommunications service, whether public or private; such easement is hereby granted to any Person installing or providing Upkeep for the aforesaid services. Any pipes, conduits, lines, wires, transformers and any other apparatus necessary for the provision or metering of any utility

may be installed, maintained or relocated where permitted by the Declarant, where contemplated on any site plan approved by the Declarant or where approved by resolution of the Board of Directors; provided, however that no utility line shall run beneath a dwelling other than the utility lines serving such dwelling.

(B) Specific Development Easement Areas. The Declarant hereby reserves to itself and its successors and assigns the right to grant and reserve easements, rights-of-way and licenses over and through the Common Area and over and through any Lot within ten feet of any boundary line of the Lot for the installation and Upkeep of the equipment for providing to any portion of the Property or adjacent real estate, any utilities, including without limitation water, sewer, drainage, gas and electricity, telephone, television or other telecommunications service, whether public or private, or for any other purpose necessary or desirable for the orderly development of the Property or for the benefit of adjoining real estate; provided, however, that no line shall run beneath a dwelling other than the lines serving such dwelling.

(4) Dedications and Easements Required by Governmental Authority. The Declarant hereby reserves to itself and its successors and assigns, the right to make any dedications and to grant any easements, rights-of-way and licenses required by any government or governmental agency over and through all or any portion of the Common Area. The Declarant hereby reserves to itself and its successors and assigns, the right to make any dedications and to grant any easements, rights-of-way and licenses required by any government or governmental agency over and through all or any portion of the Common Area. The Declarant also hereby reserves to itself and its successors and assigns an easement to make any corrections required by a governmental authority or utility and a right to grant and reserve easements or to vacate or terminate easements across all Lots and Common Area as may be required by any governmental agency or authority or utility company in connection with the release of bonds or the acceptance of streets for public maintenance with respect to the Property.

(5) Landscaping Easement Across Lots.

(A) Landscaping. The Declarant hereby reserves to itself and its successors and assigns, an easement and the right to grant and reserve easements over and through the Common Area, any real estate conveyed to a Builder prior to subdivision into individual lots or over and through any Lot: (i) within fifty feet of any public or private right-of-way or twenty-five feet from any adjacent Lot; (ii) within ten feet of any public right-of-way or any adjacent Lot; and (iii) and around storm water retention ponds, for a depth of twenty feet back from the high water mark. These easements shall be for the purpose of construction, installation, irrigation and Upkeep of landscaping features, including without limitation plants, trees and earth berms and other earth contouring and shall include access as necessary to perform such tasks. Such easement area shall also be available for entrance features, project signage, fencing and associated lighting and irrigation systems. The Owner of a Lot burdened by the easement shall not construct any improvements within the easement without the permission of the Declarant, during the Declarant Control Period, or the Association, thereafter. The Declarant or the Association, as appropriate, may require the Owner of the Lot to provide for the Upkeep of the easement area located on such Owner's Lot. Otherwise, the Association shall provide for the Upkeep of these easement areas and the cost of such Upkeep shall be a Common Expense.



(B) Trails. In addition, the Declarant may install or require an Owner to install Trails within the public access easement areas described in the Development Plan, without the permission or approval of the Owner of such Lot, or any other location over and through the Lot with the permission of the Owner of such Lot. The Declarant hereby reserves to itself and its successors and assigns, the right to grant easements across Trails and grants to the Association and each Owner an easement for access across such Trails. The Trails shall be available for the use of all Owners. The Association shall provide for the Upkeep of the Trails and the cost of such Upkeep shall be a Common Expense or Limited Common Expense, as appropriate. Trails may be of varying widths and of such materials as are approved by the Declarant during the Development Period or the Board of Directors thereafter.

(C) Relocation. The Declarant may relocate, reduce or otherwise modify the foregoing easement areas in a Supplementary Declaration with respect to such Lot without the joinder or approval of the Association or any Owner or Mortgagee (other than the Owner and Mortgagee of the Lot across which the easement is located). An Owner, with the consent of the Board of Directors as evidenced by the signature of an Officer of the Association on an instrument recorded among the Land Records, may record, at the Owner's sole expense, an easement plat showing the exact location of the easement for landscaping and Trails on the Owner's Lot. These easements may be relocated by the Owner of a Lot burdened with the consent of the Board of Directors on behalf of the Association and the Owners and occupants of the Property without the joinder or approval of any Owner or Mortgagee (other than the Owner and Mortgagee of the Lot across which the easement is located).

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

(b) Further Assurances. Any and all conveyances made by the Declarant to the Association or any Owner shall be conclusively deemed to incorporate these reservations of rights and easements, whether or not set forth in such grants. Upon written request of the Declarant, the Association and each Owner shall from time to time sign, acknowledge and deliver to the Declarant such further assurances of these reservations of rights and easements as may be requested. If a designee described in Subsection 3.1(a) requests recordation of a separate document evidencing such Person's easement rights that are consistent with this Declaration, then the Declarant or the Association, as applicable, may sign and record such an easement instrument, without the consent, approval or joinder of any Owner or Mortgagee.

(c) Duration and Assignment of Development Rights. The Declarant may assign its rights under this section to, or share such rights with, one or more other Persons, exclusively, simultaneously or consecutively. The Declarant shall notify the Association of any such assignment or designation by the Declarant. The rights and easements reserved by or granted to the Declarant pursuant to this section shall continue until the end of the Development Period, unless specifically stated otherwise.

Section 3.2. Association Power to Make Dedications and Grant Easements. The Declarant, on behalf of itself and its successors and assigns, hereby also grants to the Association the rights, powers and easements reserved to the Declarant by paragraphs (2)(ii), (3), (4), (5) and (6) of Subsection 3.1(a). These rights, powers and easements may be exercised by the Association, subject to Section 15.4; provided, however, that the limitations on duration applicable to the Declarant shall not apply to the Association. If the Declarant or any Owner requests the Association to exercise its powers under this section, the Association's cooperation shall not be unreasonably withheld, conditioned or delayed.

Section 3.3. Easement for Upkeep.

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

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

Section 3.4. Limitations on Exercise of Rights and Easements.

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

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

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

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

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

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

Section 3.7. Easement for Emergency Access. The Declarant, on behalf of itself and its successors and assigns, hereby grants an easement: (i) to all police, fire, ambulance and other rescue personnel over and through all or any portion of the Property for the lawful performance of their functions during emergencies and (ii) to the Association over and through all Lots, if emergency measures are required in any Lot to reduce a hazard thereto or to any other portion of the Property. The Association is hereby authorized but not obligated to take any such measures.

Section 3.8. Easement for Use of Common Area.

(a) Use and Enjoyment. The Declarant hereby reserves to itself during the Development Period and, on behalf of itself and its successors and assigns, grants to each Owner and each Person lawfully occupying a Lot a non-exclusive right and easement of use and enjoyment in common with others of the Common Area (other than any Limited Common Area). Such right and easement of use and enjoyment shall be appurtenant to each Lot, whether or not mentioned in the deed thereto. Each Owner is also hereby granted a non-exclusive easement for ingress and egress (including lead sidewalks, driveway aprons and utility laterals) over the Common Area to the extent necessary to provide utility services and vehicular and pedestrian access to such Lot for such Owner and such Owner's household, tenants, guests, employees, agents and invitees, subject to any Rules and Regulations promulgated by the Association pursuant to Section 8.3. The Association, acting through its Board of Directors without the joinder or approval of any Owner or holder of a Mortgagee, is authorized on behalf of each Owner to relocate, modify or terminate easements over and across the Common Area now or hereafter granted in this Declaration, in deeds of subdivision or otherwise; provided, however, that each Owner retains (in a location determined by the Board of Directors) a right of convenient, unobstructed, all weather access to such Owner's Lot for vehicular and pedestrian ingress and egress and for utility services. A conveyance or dedication of a portion of the



Common Area to any entity, other than an entity formed for similar purposes in which the Owner is directly or indirectly a member, shall extinguish the Owner's easement rights, except to the extent necessary to provide access and utility services to such Owner's Lot. Every Owner and each Person lawfully occupying a Lot is also granted a non-exclusive easement over all alleys, streets, walks and paths on the Common Area for the purpose of vehicular and/or pedestrian access, ingress and egress, as appropriate, to any portion of the Property to which such Person has the right to go, subject to any Rules and Regulations promulgated by the Association pursuant to Section 8.3. Any purported conveyance or other transfer of such rights and easements apart from the Lot to which such rights and easements are appurtenant is void.

(b) Limitations. The rights and easements of enjoyment created in this Section shall be subject (in addition to any easements granted or reserved in this Declaration or pursuant to the other Association Documents) to all rights and powers of the Declarant and the Association when exercised in accordance with the other applicable provisions of the Association Documents, including without limitation the Association's to regulate the use of the Common Area and to establish reasonable charges therefor, to grant easements across the Common Area, to dedicate portions of the Common Area and to mortgage the Common Area subject to Section 15.4.

(c) Delegation. Subject to the Rules and Regulations and such other restrictions as may be adopted by the Association, any Person having the right to use and enjoy the Common Area may delegate such rights to such Person's household, guests, employees, tenants, agents and invitees and to such other Persons as may be permitted by the Association. The easements and rights granted by this Declaration shall not be enforceable by Persons to whom such easements and rights may be delegated by Owners, including without limitation the household, tenants, guests, employees, agents and invitees of any Owner. This section does not affect, however, the rights of Mortgagees in possession or court-appointed officers in possession and control of a Lot acting in the name, place and stead of Owners, or any Person's right to enforce any easements or rights granted in any lease or agreement between such Person and an Owner.

(e) Additional Land.

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

(2) Access Across Common Area. The Declarant also reserves to itself and on behalf of itself and its successors and assigns during the Development Period, the right to grant to each Person lawfully occupying a portion of the Additional Land a non-exclusive easement over all alleys, streets, walks and paths on the Common Area, as may be necessary for vehicular and/or pedestrian ingress and egress across such Common Area from a public right-of-way to any portion of the Additional Land that would not otherwise have access to a public right-of-way; provided, however, that the Persons benefiting from such easement bear a portion of the expense of Upkeep for the access roads in such amounts as may be determined by the Declarant.

Section 3.9. Limited Common Area. During the Development Period, the Declarant shall have the right to restrict portions of the Common Area in the nature of an easement for the exclusive use of the Owners of one or more specific Lots by designating such portions of the Common Area as Limited Common Area. The Declarant may: (1) describe the location of the Limited Common Area and the Lots to which it is appurtenant in this Declaration or a Supplementary Declaration; (2) indicate the locations of the Limited Common Area appertaining to one or more Lots by depicting such Limited Common Area and the Lots to which it is appurtenant on the plat attached as an exhibit to a Supplementary Declaration; or (3) label a portion of the Common Area shown on a plat as an exhibit to a Supplementary Declaration as "Common Area that may be assigned as Limited Common Area", and thereafter assign such Limited Common Area to one or more specific Lots by unilaterally amending the Supplementary Declaration to indicate the assignment, depicting the Limited Common Area being assigned and the Lots to which it is appurtenant. The Declarant shall not, however, designate Common Area as Limited Common Area or Common Area that may be assigned as Limited Common Area once such Common Area has been conveyed to the Association.

Section 3.10. Priority and Enforcement of Easements.

(a) No Subordination. No Person who owns Property subject to this Declaration may subordinate the easements herein created to any subsequent encumbrance.

(b) No Enforcement by Third Parties. The easements and rights granted by this Declaration shall not be enforceable by Persons to whom such easements and rights may be delegated by Owners, including without limitation the household, guests, employees, tenants, agents or invitees of any Owner. This subsection does not affect, however, the rights of Mortgagees in possession or court-appointed officers in possession and control of a Lot acting in the name, place and stead of Owners or any Person's right to enforce any easements or rights granted in any lease or agreement between such Person and an Owner.

(c) Easements Additional. The easements created by or pursuant to this Article shall be in addition to such other easements as may be created by recordation of appropriate instruments among the Land Records.

Section 3.11. Land Submitted by Owners Other than the Declarant. Any Person other than the Declarant submitting land to this Declaration hereby grants to the Declarant, the Association and to each other Owner all rights, easements and other interests with respect to such

land granted or reserved in this Article and shall provide such further assurances as may be required.

Section 3.12. Dedications. Notwithstanding any other provision of this Declaration, any easement created herein or pursuant hereto shall automatically terminate and cease to exist with respect to any portions of the Property dedicated for public rights-of-way and accepted into the Virginia State secondary system for maintenance.

Section 3.13. Easements for Alley Access. In this Section 3.13, "Owners" means the Owners and such Owners' tenants and such Owners' (or tenants') households, companies, guests, employees, customers, agents or invitees. The Association will not unreasonably interfere with the right of any Owner, or such Owner's tenant or such Owner's (or tenant's) household, guests, employees, agents or invitees to use the Alleys for both vehicular and pedestrian ingress and egress to and from such Owner's Lot.

ARTICLE 4

DEVELOPMENT OF THE PROPERTY

Section 4.1. Expansion by the Declarant.

(a) Designated Additional Land. The Declarant hereby reserves an option until the fifteenth anniversary of the date of recordation of this Declaration to expand the Property from time to time without the consent of any Owner or Mortgagee (except the owner of or holder of a deed of trust on such real estate) by submitting all or any portion of the Additional Land to the provisions of this Declaration and the jurisdiction of the Association whether or not such real estate is owned by the Declarant. The option to expand may be terminated only upon the recordation by the Declarant of an instrument relinquishing such option. The Declarant reserves the unilateral right, without the approval of any Owner or Mortgagee, to execute and record a Supplementary Declaration, subjecting any Lot to such additional covenants and restrictions as may be necessary to reflect the different characteristics of such Lot as are not inconsistent with the overall scheme of the Declaration; provided, however, that the Declarant shall not have such right after the conveyance of such Lot to an Owner other than the Declarant without the written consent of such Owner (and the Mortgagee of such Lot). The Declarant shall add Additional Land in accordance with the procedures set forth in Section 4.3. There are no limitations on the option to expand except as set forth in this Article. If the Declarant does not submit all or any portion of the Additional Land to the Declaration, such real estate may be developed in any manner allowable under local zoning ordinance without regard to the restrictions in this Declaration.

(b) Undesignated Additional Land. The Declarant may unilaterally amend the description of Additional Land set forth in Exhibit B without the approval of any Owner or Mortgagee to expand the area referred to as Additional Land whether or not such real estate is owned by the Declarant; provided, however, that such additional real estate is immediately adjacent to the Property or across a public right-of-way from the Property and does not increase the total acreage of the real estate originally described in Exhibits A and B by greater than ten percent.

Section 4.2. Expansion by the Association. With the written consent of the fee simple owner (if not the Association) and any mortgagee or holder of a deed of trust on such real estate, a Sixty-seven Percent Vote or written approval from Owners entitled to cast sixty-seven percent of the total number of votes and the written consent of the Declarant during the Development Period, the Association may submit any real estate located immediately adjacent to the Property or across a public right of way from the Property to the provisions of this Declaration and the jurisdiction of the Association, in accordance with the procedures set forth in Section 4.3.

Section 4.3. Procedure for Expansion; Additional Covenants. The Declarant or the Association, as appropriate, may record one or more Supplementary Declarations. Each Supplementary Declaration adding real estate shall: (i) include a legally sufficient description of the real estate added, (ii) designate such real estate with the term Phase and a unique identifier so as to differentiate between each portion of the Property; and (iii) describe any real estate being conveyed to the Association as Common Area and describe any new Lots. The real estate designated as Submitted Land in Exhibit A shall be known by the Phase designation shown on Exhibit A. Any Supplementary Declaration may contain such additional covenants and restrictions as may be necessary to reflect the different characteristics of the Lots or the land uses if consistent with the overall scheme of this Declaration. The Declarant or the Association may not subject a Lot to a Supplementary Declaration after conveyance of such Lot to an Owner other than the Declarant or a Builder without the prior written consent of such Owner (and the Mortgagee) of such Lot. Upon recording a Supplementary Declaration submitting real estate to the Declaration, the provisions of the Declaration shall apply to the real estate thereby added as if such real estate were originally part of the Submitted Land. Any Owner other than the Declarant submitting Additional Land to the Declaration shall be deemed to have granted all the easements and rights granted and reserved herein to the Declarant, the Association and the Owners.

Section 4.4. Withdrawable Land.

(a) **By the Declarant.** During the Development Period, the Declarant has the unilateral right without the approval or joinder of the Association or any Owner or Mortgagee (except the Owner of and Mortgagee of the real estate being withdrawn) to sign and record an amendment to the Declaration withdrawing any portion of the Submitted Land owned by the Declarant or a Builder from time to time if such real estate is: (i) submitted to a different property owners' association; (ii) dedicated or to be dedicated to public use; or (iii) conveyed or to be conveyed to a public authority.

(b) **By the Association.** After the Development Period, the Board of Directors, acting on behalf of the Association without the joinder or approval of any Owner or Mortgagee, may record an amendment withdrawing any real estate (i) dedicated or to be dedicated to a public use; or (ii) conveyed or to be conveyed to a public authority. The Association may also amend the Declaration to withdraw other real estate, subject to the requirements of Section 15.4.

(c) **Dedications for Public Streets.** Any real estate dedicated to a public authority for public street purposes is automatically withdrawn and the Declarant or the Board of Directors may unilaterally, without the joinder or approval of any Owner or Mortgagee, record an instrument confirming such withdrawal.



Section 4.5. Association Consent Not Required. During the Development Period, the exercise of any right by the Declarant under this Article 4 shall not require the consent of the Association.

ARTICLE 5

SPECIAL DECLARANT RIGHTS; TRANSFER

Section 5.1. Special Declarant Rights. Special declarant rights are those rights reserved for the benefit of the Declarant as provided for in the Association Documents, and shall include without limitation the following rights: (1) to use easements over and through the Property for the purpose of making improvements within the Property; (2) to maintain models, management offices, construction offices, sales offices, customer service offices and signs advertising the Property; (3) to exercise the rights and votes of the Class B Owner; (4) to remove and replace any director elected by the Class B Owner until the meeting at which the Class A Owners are entitled to elect a majority of the directors; (5) to make unilateral amendments to the Association Documents as provided in Sections 3.9, 4.1, 4.4 and 15.1; (6) to remove and replace any director appointed by the Declarant pursuant to Article 5 of the Articles of Incorporation; (7) to add Additional Land; (8) to withdraw Submitted Land pursuant to Section 4.4 and (9) to exercise any other rights given to the Declarant.

Section 5.2. Transfer of Special Declarant Rights.

(a) Procedure. The Declarant may transfer special declarant rights created or reserved under the Association Documents to any Person acquiring Lots or Additional Land by an instrument evidencing the transfer recorded in the Land Records. The instrument is not effective unless executed by the transferor and transferee; provided, however, that a Person acquiring Lots or Additional Land pursuant to Subsection 5.2(c) may unilaterally execute and record an instrument to acquire some or all of the special declarant rights. A partial transfer of special declarant rights does not prevent the transferor declarant from continuing to exercise special declarant rights with respect to real estate retained by such declarant. The instrument providing for a partial transfer of special declarant rights shall allocate voting rights between the transferor and the transferee.

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

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

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

(3) If a transferor retains any special declarant rights, but transfers other special declarant rights to a successor who is not an Affiliate of the declarant, the transferor

remains liable for any obligations and liabilities relating to the retained special declarant rights imposed on a declarant by the Association Documents arising after the transfer.

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

(c) Effect of Foreclosure on Successor. Unless otherwise provided in a Mortgage, in case of foreclosure of a Mortgage (or deed in lieu of foreclosure), tax sale, judicial sale, sale by a trustee under a deed of trust or sale under the Bankruptcy Code or receivership proceedings, of any Lots or Additional Land owned by a declarant, a Person acquiring title to all the Lots or Additional Land being foreclosed or sold, but only upon such Person's request, succeeds to all special declarant rights related to such Lots or Additional Land or only to any rights reserved in the Association Documents to maintain models, management offices, construction offices, sales offices, customer service offices and signs advertising the Property. The judgment, instrument conveying title or other instrument recorded in the Land Records shall provide for transfer of only the special declarant rights requested.

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

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

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

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

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

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

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

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

Section 5.3. No Obligations. Nothing contained in the Association Documents shall impose upon the Declarant or its successors or assigns any obligation of any nature to build, construct, renovate or provide any improvements. Neither the Declarant nor its successors or assigns shall be liable to any Owner or occupant by reason of any mistake in judgment, negligence, nonfeasance, action or inaction or for the enforcement or failure to enforce any provision of this Declaration. No Owner or occupant of any portion of the Property shall bring any action or suit against the Declarant to recover any damages or to seek equitable relief because of the enforcement or failure to enforce any provision of the Declaration against a third party. This section shall not be construed to release or absolve the Declarant, its successors or assigns from any obligation imposed by the duly adopted ordinances of the local jurisdiction, including without limitation the approved Proffers and conditions of subdivision approval.

PART TWO

ARTICLE 6

COMMON EXPENSES AND ASSESSMENTS

Section 6.1. Determination of Common Expenses and Budget.

(a) Fiscal Year. The first fiscal year of the Association shall be as determined in accordance with Section 9.4 of the Bylaws.

(b) Preparation and Approval of Budget.

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

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

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

(c) Installment Payments and Due Dates. Any and all such Assessments and other charges shall be a lien against each Owner's Lot as provided in Section 12.2. On or before the first day of each fiscal year, and the first day of each succeeding payment period in such fiscal year, each Owner shall pay to such Person at such place as the Board of Directors may direct that installment of the Annual Assessment which is due during such period. The Board of Directors shall establish one or more payment periods and the due dates for each such payment in each fiscal year; provided, however, that payments shall be due not less than quarterly nor more frequently than monthly unless specifically provided otherwise herein. All sums collected by the Board of Directors with respect to Assessments against the Lots or from any other source may be consolidated into a single fund.

(d) Initial Budget and Initial Assessments.

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

(2) The first installment of the Annual Assessment for Common Expenses shall be prorated based upon the number of days remaining in the payment period and shall be due on the earlier of: (i) the date the Lot is conveyed to an Owner other than the Declarant or a Builder or (ii) the date the Lot is occupied for the first time. Any additional amounts due shall be divided by the number of full payment periods (if any) remaining in that fiscal year and paid in equal installments on the first day of each payment period remaining in that fiscal year. Such Assessment shall be levied and become a lien as set forth in Section 12.2.

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

(4) Each initial Owner other than the Declarant or a Builder shall pay at settlement an "initial assessment" equal to Two Hundred Dollars for such purchaser's Lot to provide necessary working capital for the Association. In the sole discretion of the Declarant, the amount of the initial assessment may be increased each fiscal year by up to the percentage increase in the CPI. Such funds shall not be used to pay or offset expenses incurred by the Declarant in the development of the Property.

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

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

Section 6.2. Assessments.

(a) Purpose, Rate and Calculation of Annual Assessment.

(1) Subject to the provisions of paragraph (2) of Subsection 6.2(a) and Section 6.3, the total amount of the estimated funds required for: (i) the management and Upkeep of the Property; (ii) services to the Lots and Owners; and (iii) to meet obligations of the Association established pursuant to this Declaration or other shared Upkeep agreements shall be assessed annually against the Lots. The Board of Directors shall establish an Annual Assessment rate for each Lot in the same amount against all Lots subject to assessment for Common Expenses

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

(A) Any Common Expenses for the Upkeep of or reserves for any Limited Common Area shall be assessed only against the Lots to which such Limited Common Area is appurtenant; provided, however, that Limited Common Expenses for substantially similar purposes may be assessed against all Lots so benefited.

(B) Any expenses incurred by the Association for Upkeep of or reserves for the Upkeep of alleys, whether located on Common Area or available by easement, may be assessed as a Limited Common Expense against Lots served by an alley. The Association may establish a single fund and a single Limited Common Expense Assessment to provide for the Upkeep of and reserves for all such alleys and is not required to maintain separate accounts.

(C) Any Common Expenses designated in a Supplementary Declaration as Limited Common Expenses to be paid by the Owners of Lots located within the Additional Land being added.

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

(b) Additional Assessments. The Board of Directors may levy Additional Assessments on the Lots subject to assessment pursuant to paragraph (1) of Subsection 6.2(a). The Board of Directors shall give notice of any Additional Assessment to the Owners specifying the amount and reasons therefor, and such Assessment shall, unless otherwise specified in the notice, be payable in full with the next periodic installment which is due more than ten days after the date of such notice or in installments, as the Board may determine. Such Assessment shall be a lien as set forth in Section 12.2.

(c) Individual Assessments. The Board of Directors shall have the power to assess an Owner's Lot individually: (i) for the amount of any costs incurred by the Association pursuant to Subsection 7.2(a) in performing Upkeep that the Owner failed to perform as required by that section; (ii) for the amount of any charges imposed on that Owner pursuant to Subsection 12.1(h); and (iii) for any costs incurred by the Association because of any violation or negligence for which that Owner is responsible under Subsection 12.1(a); and (iv) for contractual charges levied pursuant to Subsection 6.2(d). Each such Assessment shall be due ten days after notice thereof is given to the Owner unless the notice specifies a later date.

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

(e) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, operations (including losses due to insurance deductibles), contingencies and replacements. Such funds shall be a Common Expense of the Association and shall be deposited and invested by the Board of Directors. Not less than seventy-five percent of such funds shall be deposited with one or more financial institutions, the accounts of which are insured by an agency of the United States of America or, 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. Unless otherwise provided in paragraph (2) of Subsection 6.2(a), reserves for items serving only certain Lots shall be accounted for and funded solely by the Owners of the Lots served (as a Limited Common Expense). As to each separate reserve account:

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

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

(3) If the reserves are inadequate to meet actual expenditures for any reason (including non-payment of any Owner's Assessment) then the Board of Directors shall, in accordance with Subsection 6.2(b), levy an Additional Assessment against the Lots unless the Declarant is then obligated to pay such amounts pursuant to Subsection 6.3(b).

(f) Surplus and Deficit.

(1) Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board of Directors: (i) be placed in

reserve accounts; (ii) be placed in a special account to be expended solely for the general welfare of the Owners; (iii) be credited to the next periodic installments due from Owners under the current fiscal year's budget, until exhausted, or (iv) be distributed to each Owner (including the Declarant) in proportion to the percentage (if any) of Assessments paid by such Owner during the last complete fiscal year.

(2) Unless the surplus from the preceding years is applied against the deficit or the budget for the succeeding fiscal year is adjusted to amortize the deficit during such fiscal year, any net shortage in expenses (including reserves) shall be assessed promptly against the Owners as an Additional Assessment in accordance with Subsection 6.2(b) unless the Declarant is then obligated to pay such amounts pursuant to Subsection 6.3(b).

(g) Lots Added During the Fiscal Year. Notwithstanding any other provision of this Article, whenever any Additional Land is added, the assessment against each Lot being added (other than unoccupied Lots which are owned by the Declarant or a Builder and exempt from assessment in accordance with Section 6.3) shall be calculated in the same manner and be due in the same number of installments as the assessment for the remainder of the fiscal year against Lots already a part of the Property. In addition, the Owner of the Lot being added shall pay a prorated portion of any amount payable for the period between the date the Lot was conveyed to an Owner other than the Declarant or a Builder and the due date of the next installment. Such proration of the Assessment due for any Lot added shall be based upon the total Assessment due and a 365-day fiscal year. Payment of the prorated portion will be due no later than the due date of the first installment to be paid by the Owner of any Lot added. The Board of Directors may revise the budget to reflect the addition of such Lots.

(h) Minimum Service Levels. Without a Majority Vote of the Owners, the Board of Directors shall not in any one fiscal year reduce (i) any line item in the annual operating budget in excess of ten percent or (ii) the total assessment for Common Expenses for that fiscal year by more than twenty percent if it would require a material reduction in the level of services to be provided.

Section 6.3. Assessment Against Lots Owned by the Declarant and Builders; Deficit-funding Obligation; Exemptions.

(a) One-Time Assessment for Declarant and Builders. The Declarant, or the Builder if so determined by the Declarant, shall pay a one-time Assessment of Two Hundred Dollars per Lot during such time as the Declarant or Builder owns such Lot and prior to such time as the Lot is conveyed to an Owner (other than the Declarant or Builder) or initially occupied. The Lot shall thereafter not be subject to full assessment until the earlier of: (1) conveyance to an Owner other than the Declarant or a Builder; (2) initial occupancy; or (3) two years after the later of (i) submission of such Lot to the Declaration or (ii) payment of regular periodic installments of the Annual Assessment by an Owner other than the Declarant or a Builder, at which time such Lot shall be assessed at twenty-five percent of the amount assessed per Lot for Common Expenses or Limited Common Expenses if such Lot is still unoccupied and owned by the Declarant or a Builder.

(b) Declarant's Deficit-funding Obligation. For so long as the Declarant or Builder pays the one-time Assessment for an unoccupied Lot, the Declarant or Builder, as

applicable, must provide all necessary Upkeep for such Lot. In addition, during the Declarant Control Period, the Declarant must fund all operating budget deficits (the amount by which the operating expenses of the Association exceed the total budgeted income of the Association) excluding non-cash charges such as depreciation, including reasonable reserves (based on expected useful life of the Common Area improvements), as determined by the Board of Directors. The Declarant's deficit funding obligation hereunder may be satisfied with in-kind payments of services or materials. The Declarant's obligation under this section does not include any expenses that the Association is unable to meet because of nonpayment of any Owner's Assessment or because of unusual or extraordinary expenses not included in the budget. The net deficit to be paid by the Declarant shall be cumulative over the period the Declarant owns Lots exempt from full assessment, regardless of the timing of payments or cash flow of the Association. The Declarant's obligation under this section shall not exceed the amount the Declarant would be obligated to pay if all Lots owned by the Declarant were assessed in accordance with Subsection 6.2(a) less any Assessments actually paid pursuant to Subsection 6.3(a) with respect to such Lots. The obligations of the Declarant or any Builder under this section shall be a lien against the portion of the Property owned by the Declarant or such Builder, as appropriate.

(c) Exemptions. The Common Area and any properties dedicated to a public authority or exempt from taxation by a public authority shall be exempt from assessment and the lien created by this Declaration. Lots that have never been occupied, owned by the Declarant or a Builder, shall be exempt from full assessment for Common Expenses and the lien created by this Declaration for so long as the one-time Assessment levied pursuant to Subsection 6.3(a) is paid. A Lot shall be subject to paying the full Assessment only after the earlier of: (i) conveyance to an Owner other than the Declarant or a Builder or (ii) initial occupancy. The exemption from paying Assessments shall not apply to Lots used for model home purposes.

Section 6.4. Liability for Common Expenses.

(a) Declarant and Owner Liability. The Declarant for each Lot owned by the Declarant, and each Owner of a Lot (including Builders), by acceptance of a deed therefor (whether or not so stated in any such deed or other conveyance), covenant and agrees, to pay to the Association all Common Expenses, including Limited Common Expenses and other charges assessed by the Board of Directors pursuant to the provisions of this Declaration. Each Owner shall be personally liable for all Assessments against such Owner's Lot. No Owner may be exempted from liability for the assessment for Common Expenses by reason of waiver of the use or enjoyment of any of the Common Area or by abandonment of the Lot. No Owner shall be liable for the payment of any part of the Common Expenses assessed against the Lot subsequent to the date of recordation of a conveyance by such Owner in fee of such Lot. Prior to or at the time of any such conveyance, all liens, unpaid charges and Assessments shall be paid in full and discharged. The purchaser of a Lot shall be jointly and severally liable with the selling Owner for all unpaid Assessments against the latter for (i) the amount shown on the Statement of Common Expenses or (ii) if no Statement of Common Expenses is obtained, the amount shown on the assessment or judgment lien against the Lot filed in the Land Records; or (iii) if no Statement of Common Expenses is obtained and no assessment or judgment lien has been filed, the amount owed not to exceed six monthly installments of the Annual Assessment for Common Expenses, including Limited Common Expenses, in any case without prejudice to the purchaser's right to recover from the selling Owner amounts paid by the purchaser therefor. The Lot also

shall remain subject to a lien for the amount owed to the Association in accordance with this section until such amount has been paid. Any such purchaser may rely on a Statement of Common Expenses obtained pursuant to Section 6.6.

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

Section 6.5. Collection of Assessments. Any assessment, or installment thereof, not paid within ten days after the due date shall be delinquent and shall accrue a late charge in the amount of Twenty-five Dollars or such other amount as may be established from time to time by the Board of Directors. The Board of Directors, or the managing agent at the request of the Board, shall take prompt action to collect any Assessments for Common Expenses due from any Owner which remain unpaid for more than thirty days after the due date for payment thereof. The late charge is in addition to the Association's other enforcement powers pursuant to Article 12.

Section 6.6. Statement of Common Expenses. The Board of Directors or managing agent shall provide any Owner, contract purchaser or Mortgagee, within fourteen days after a written request therefor, with a written statement of all unpaid Assessments due with respect to a specific Lot (or a statement that the amount of unpaid Assessments is zero) ("Statement of Common Expenses") as part of the "Association Disclosure Packet" substantially in the form attached as Exhibit B to the Bylaws or otherwise. No contract purchaser, Mortgagee or purchaser from a Mortgagee requesting such a statement shall be liable for, nor shall the Lot conveyed to such Person relying on such statement be subject to a lien for, any unpaid Assessments due prior to the date of such statement in excess of the amount set forth on such statement; provided, however, that this section shall not be interpreted to release any Person from personal liability for such Assessments levied while such Person owned the Lot. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation.

ARTICLE 7

OPERATION OF THE PROPERTY

Section 7.1. Upkeep by the Association

(a) Common Area. The Association shall be responsible for the management and Upkeep of all of the Common Area, including Limited Common Area, such Upkeep to include without limitation: (i) Upkeep of all open areas, including grass cutting, trash collection,

landscaping and lawn maintenance; (ii) Upkeep of the alleys, sidewalks and Trails and parking areas, including clearing snow and ice; and (iii) Upkeep of all other improvements located on the Common Area. Notwithstanding the foregoing, Upkeep of lead sidewalks, driveway aprons and utility laterals shall be provided by the Owner of the Lot served or, if so determined by the Board of Directors, by the Association at such Owner's expense. The Association shall not have any responsibility for the Upkeep of any Lot except for those responsibilities and duties specifically enumerated within the Association Documents for easement areas pursuant to Section 3.3, Lots pursuant to this Section 7.1 or other areas described in the subdivision documents for the Property or separate easement agreements. Notwithstanding the general provisions for Upkeep of Common Area set forth in this section, specific Upkeep responsibilities and allocations of Upkeep costs shall be determined by any provisions therefor indicated in either a Supplementary Declaration or plat recorded when subjecting such Common Area to the Declaration.

(b) Costs.

(1) Except as otherwise specifically provided in this Section 7.1, the cost of all management and Upkeep of the Common Area shall be charged to the Owners as a Common Expense or Limited Common Expense, as appropriate, depending on the nature of the service provided (except for improvements specially assessed in accordance with Section 7.4).

(2) If the Board of Directors determines that certain Upkeep was necessitated by the negligence, misuse or misconduct of an Owner or for which an Owner is responsible pursuant to Section 12.1, the cost of such Upkeep shall be assessed against such Owner's Lot pursuant to Subsections 6.2(c) and 12.1(a).

(c) Standards for Upkeep. The Board of Directors shall establish the standard for Upkeep of the Common Area in its sole discretion; provided, however, that the standard for Upkeep, at a minimum, shall be sufficient to meet the requirements of applicable law and governmental regulations. The Board of Directors may also determine to provide for the Upkeep of the medians and rights-of-way along dedicated streets and roadways to the extent not provided by the appropriate governmental agency.

(d) Storm Water Management. The Declarant may construct the improvements and facilities for storm water management control. Such facilities shall not be used for any purposes other than storm water management. The Declarant shall provide Upkeep for the storm water management facilities at its sole expense until the earlier of: (i) release from any bond required by the local jurisdiction or (ii) the end of the Declarant Control Period; thereafter, the Upkeep of the storm water management facilities shall be an expense of the Association. The Upkeep of the storm water management facilities and easements on or serving the Property shall be performed by the Association and shall be a Common Expense; provided, however, that the Upkeep obligations identified in this subsection shall cease and terminate at such time as the Town, through a department of public works or some similar agency, elects to maintain the storm drainage and management facilities contained within the easements, or elects to maintain all such easements within the water shed where the easement is located. The Association may, but is not obligated to provide additional Upkeep to the extent not provided by the Town. The Owner of any Lot on which there is located an easement for storm water drainage, management or control shall be responsible for the following items of maintenance, where applicable, grass mowing with reasonable frequency and the removal of debris and other

matter to the best of Owner's ability where such debris or matter has impeded or threatens to impede the free flow of storm water through drainage structures. Such Owner's responsibility shall include notification of the Association of: (i) any defects in any fencing, if any, surrounding or within the easement; (ii) any debris or other matter which is beyond such Owner's ability to remove; and (iii) any excessive erosion within the area of the easement. The Declarant and the Association shall have easements pursuant to Sections 3.1, 3.2 and 3.3 to enter upon any Lot to the extent necessary for Upkeep of such facilities.

(e) Entrance Features, Signs and Rights-of-Way. The Association shall provide for the Upkeep of: (i) entrance features; (ii) sidewalks and Trails; (iii) project, street, traffic and directional signage and accessories, including poles; (iv) street lights and accessories, including poles; (v) mail box pavilions, (vi) center islands and road frontage; and (vii) landscaping and associated lighting and irrigation systems, (but excluding street pavement area within the public rights-of-way) both located within the Property and within the public rights-of-way adjacent to or leading to the Property to the extent such items are not maintained by a governmental authority or others and to the extent permitted by the appropriate governmental authorities. The Board of Directors may place, pay for and/or provide Upkeep for off-site signage beneficial to the Owners.

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

(g) Shared Maintenance. The Board of Directors may enter into shared maintenance agreements to maintain areas whether or not located within the Property. Such areas may include without limitation storm water management or drainage easements and facilities, landscaping, entrance features, signage, trails, sidewalks and areas along streets and roadways (including within public rights-of-way to the extent not maintained by the appropriate governmental authorities, excluding street pavement areas). The amounts charged the Association pursuant to such agreements shall be a Common Expense, or a Limited Common Expense, as determined by the Board of Directors.

(h) Conveyance of Common Area, Trails. In the event any portion of the Common Area, including, without limitation, the Trails, is dedicated or conveyed to the Town or other governmental authority or agency, the Association's obligation to maintain those portions of the Common Area so dedicated or conveyed shall terminate at the time of dedication or conveyance, unless otherwise provided herein or as provided in an amendment to this Declaration made pursuant to Section 15 of this Declaration.

Section 7.2. Upkeep by the Owners.

(a) Individual Upkeep. Each Owner shall keep such Owner's Lot and all improvements located on the Lot in good order, condition and repair and in a clean and sanitary condition, including without limitation all necessary grounds maintenance and clearing of snow and ice, in accordance with local ordinances, except as may be otherwise provided in this Declaration or in a Supplementary Declaration. Each Owner shall maintain the lead sidewalk, driveway, driveway apron and utility laterals serving each Owner's Lot, even if located on

Common Area. Each Owner shall perform these responsibilities in such manner as shall not unreasonably disturb or interfere with the reasonable enjoyment by the other Owners of their Lots. If any Owner shall fail to keep such Owner's Lot in good repair and in a neat and orderly condition, consistent with such Rules and Regulations as the Board of Directors may promulgate, then the Board or the Covenants Committee may, pursuant to resolution, give notice to that Owner of the condition complained of, describing generally the action to be taken to rectify that condition. If the Owner fails to take the actions described or to otherwise rectify the condition within thirty days after the date the notice is given, or such other period as may be specified in the notice if the circumstances warrant a different period, the Board of Directors or the Covenants Committee shall have the right, but not the obligation, pursuant to Section 3.3 and Subsection 12.1(e) and any resolutions adopted by the Board of Directors or the Covenants Committee, to rectify that condition by taking such action (or by causing such action to be taken) as was generally described in the notice. The costs incurred in rectifying the condition shall be assessed against such Owner's Lot in accordance with Subsection 6.2(c) and Section 12.1. The Owner shall reimburse the Association within thirty days after delivery of a statement for such expenses from the Board.

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

Section 7.4. Additions, Alterations or Improvements by the Board of Directors. Whenever in the judgment of the Board of Directors the Common Area shall require capital additions, alterations or improvements (other than for Upkeep) costing in excess of five percent in the aggregate of the total Annual Assessment for that fiscal year during any period of twelve consecutive months, the making of such additions, alterations or improvements requires a Majority Vote of the Owners, and the Board of Directors shall pay the cost from existing funds or assess all Owners benefited for the cost thereof as a Common Expense or Limited Common Expense, depending on the nature of the improvements. Any capital additions, alterations or improvements (other than for Upkeep) costing in the aggregate five percent or less of the total Annual Assessment for that fiscal year during any period of twelve consecutive months may be made by the Board of Directors without approval of the Owners and the cost thereof shall constitute a Common Expense or a Limited Common Expense, depending on the nature of the improvements. Notwithstanding the foregoing, if the Board of Directors determines that such capital additions, alterations or improvements are exclusively or substantially exclusively for the benefit of specific Owners, such Owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportion as may be determined by the Board of Directors.

Section 7.5. Additions, Alterations or Improvements by the Owners. Any addition, alteration or improvement by an Owner shall be subject to Section 9.4.

Section 7.6. Restriction on Further Subdivision. No Lot shall be further subdivided or separated into smaller Lots by any Owner during the Development Period, except with the approval of the Declarant. If two Owners wish to adjust the boundary line between their Lots, the Declarant shall approve a subdivision which does not increase the number of Lots or

dwelling units permitted as the case may be. Any open space parcel shall be conveyed to the Association or otherwise conveyed as approved by the Declarant during the Development Period. The Declarant may approve other subdivisions in its sole discretion. The Board of Directors shall also be informed of any resubdivision. This provision does not apply to the adjustment of unit boundaries of a condominium unit which does not increase the total number of units in the condominium. This provision shall not require the approval of the Declarant or the Board of Directors for deeds of correction, deeds to resolve boundary line disputes and similar corrective instruments. No portion of any such Lot, nor any easement or other interest therein, except easements for utilities, stormwater drainage and management, street dedications and other easements or dedications to any utility or public authority, shall be conveyed or transferred by an Owner without the approval of the Declarant, during the Development Period, or the Board of Directors, thereafter.

Section 7.7. Disclaimer of Liability.

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

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

ARTICLE 8

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

Section 8.1. Use of the Property. No Lot shall be used for other than residential, recreational or related purposes which are permissible under local zoning ordinances without the prior written approval of the Board of Directors. The Board's approval of other uses may be conditioned or withheld at the Board's discretion. Each Owner shall comply with applicable zoning requirements, as amended from time to time. Notwithstanding the foregoing, the Declarant and its successors, assigns and designees may use any Lot owned by the Declarant (or any other Lot with the permission of the Owner thereof) or any portion of the Common Area for promotional, marketing, display or customer service purposes (such as a visitors' center) or for

the settlement of sales of Lots. Further, the Declarant specifically reserves the right to operate construction offices, rental, brokerage and management offices, sales offices and model or display homes at any time on Lots owned or leased by the Declarant (or any other Lot with the permission of the Owner thereof) and on any portion of the Common Area, to the extent permitted by law. The Declarant may assign its rights under this subsection to or share such rights with one or more other Persons, exclusively, simultaneously or consecutively with respect to the Common Area and Lots owned or leased by the Declarant or such Persons.

Section 3.2. Restrictions on Use.

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

(b) **Compliance with Laws.** No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed; **provided, however,** that the Association and the Board of Directors shall have the power but not the obligation to enforce such laws, ordinances and regulations, enforcement being the primary responsibility of government officials. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Owner, the Association or the Declarant, whichever shall have the obligation for the Upkeep of such portion of the Property, and, if the Association, then the cost of such compliance shall be a Common Expense or Limited Common Expense, as appropriate.

(c) **Harmful Discharges.** There shall be no emissions of dust, sweepings, dirt, cinders, odors, gases or other substances into the atmosphere (other than normal residential chimney emissions), no production, storage or discharge of hazardous wastes on the Property or discharges of liquid, solid wastes or other harmful matter into the ground or any body of water, if such emission, production, storage or discharge may adversely affect the use or intended use of any portion of the Property or may adversely affect the health, safety or comfort of the occupants of the Lots. No waste nor any substance or materials of any kind shall be discharged into any public sewer serving the Property or any part thereof in violation of any regulation of any public body having jurisdiction over such public sewer.

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

(e) **Obstructions.** No Person shall obstruct any of the Common Area or otherwise impede the rightful access of any other Person on any portion of the Property upon

which such Person has the right to be. No Person shall place or cause or permit anything to be placed on or in any portion of the Common Area without the approval of the Board of Directors. Nothing shall be altered or constructed in or removed from the Common Area except with the prior written approval of the Board of Directors.

(f) Association Property. The Common Area shall be used only for the furnishing of the services and facilities for which the same is reasonably suited and which are incident to the use and occupancy of the Lots. The improvements located on the Common Area, if any, shall be used only for their intended purposes. Except as otherwise expressly provided in the Association Documents, no Owner shall make any private, exclusive or proprietary use of any of the Common Area (except those areas, if any, designated as Limited Common Area) without the prior written approval of the Board of Directors, and then only on a temporary basis.

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

(h) Signs and Flags. Except for such signs, flags and banners as may be posted by the Declarant or a Builder (as permitted by the Declarant) for promotional or marketing purposes or by the Association, no signs, flags or banners of any character shall be erected, posted or displayed in a location that is Visible from Neighboring Property unless in compliance with the Design Guidelines or with the prior written approval of the Covenants Committee.

(i) Trash. Trash storage and collection shall be in accordance with the Rules and Regulations. Except in connection with construction activities, no burning of any trash and no accumulation or storage of litter, refuse, bulk materials, building materials or trash of any other kind shall be permitted on any Lot. Trash containers shall not be permitted to remain in a location Visible from Neighboring Property except on days of trash collection. No incinerator shall be kept or maintained upon any Lot without the prior written approval of the Covenants Committee.

(j) Landscaping; Temporary Structures; Utility Lines. No tree, hedge or other landscape feature shall be planted or maintained in a location which obstructs sight-lines for vehicular traffic on public or private streets. No structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel, run, stable, outdoor clothes line, shed or other temporary accessory buildings shall be erected, used or maintained on any Lot except in connection with construction activities. Pavement, plantings and other landscape materials shall not be placed or permitted to remain upon any Lot: (i) if such materials may damage or interfere with any easement for the installation or Upkeep of utilities; (ii) in violation of the requirements of such easements; (iii) unless in conformity with public utility standards; or (iv) if such materials may unreasonably change, obstruct or retard direction or flow of any drainage channels. Except for hoses and the like which are reasonably necessary in connection with construction activities or normal landscape Upkeep, no water pipe, sewer pipe, gas pipe, drainage pipe, television or telephone cable, electric line or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground.

(k) Cutting Trees. Except in accordance with the Design Guidelines, no sound trees with a diameter in excess of four inches, measured twelve inches above ground, nor trees in excess of two inches in diameter, similarly measured, which are generally known as flowering trees (such as dogwood or redbud) or as broad leaf evergreens (such as holly, laurel, or rhododendron), no live vegetation on slopes of greater than twenty percent gradient or marked "no cut" areas on approved site plans may be cut unless necessary to construct improvements based on plans previously approved by the Covenants Committee. Further, no live trees planted by the Declarant or a Builder to comply with applicable ordinances or other governmental requirements shall be cut without the prior written approval of the Covenants Committee. The Board of Directors may adopt Rules and Regulations for cutting of trees to allow for selective clearing or cutting.

(l) Antennas. No exterior antenna, satellite dish or similar exterior improvement shall be maintained upon the Property without the prior written approval of the Covenants Committee; provided, however, that the Association shall not prevent access to telecommunications services in violation of applicable law. Exterior antennas, satellite dishes greater than one meter (39 inches) in diameter, or amateur radio equipment generally will not be allowed upon the Property; provided, however, that: (i) an Owner may install an antenna permitted by the Association's antenna rules upon prior written notice to the Covenants Committee; (ii) the Covenants Committee may approve other antennas in the appropriate circumstances; and (iii) the Covenants Committee may establish additional or different guidelines for antennas as technology changes. Notwithstanding the foregoing, the Board of Directors may install and maintain antennas, satellite dishes and similar equipment on the Common Area to serve the Property.

(m) Fences. Except for any fence installed by the Declarant, a Builder (as permitted by the Declarant) or the Association, no fence shall be installed except in compliance with the applicable Design Guidelines or with the written approval of the Covenants Committee. No chain link fence shall be permitted on the Property; provided, however, that the Declarant or its designees may erect a chain link fence for the temporary storage of building materials for the protection of building sites or storm water management ponds or for other construction or safety purposes.

(n) Vehicles. Except in connection with construction activities, no commercial vehicles (vehicles on which commercial lettering or equipment is visible or which are larger than normally used of noncommercial purposes), taxicabs or trailers, campers, recreational vehicles, boats and other large vehicles, including grounds maintenance equipment, may be parked or used on any portion of the Property if it is Visible from Neighboring Property unless expressly permitted by the Board of Directors and only in such parking areas or for such time periods (if any) as may be designated for such purpose. Except as may be modified by resolution of the Board of Directors, prohibited vehicles would include, without limitation, any vehicle: (1) with a load capacity in excess of one ton, (2) oversized (higher than eight feet, wider than eight feet or longer than twenty feet), (3) with commercial license plates or (4) with commercial signage. Parking of all such vehicles and related equipment, other than on a temporary and non-recurring basis, shall be in garages or screened enclosures approved by the Covenants Committee or in areas designated by the Board of Directors, if any. No junk or derelict vehicle or other vehicle on which current registration plates and current county and state inspection permits are not displayed shall be kept upon any portion of the Property if it is Visible

from Neighboring Property. Vehicle repairs and storage of vehicles are not permitted, except in accordance with the Rules and Regulations; provided, however, that washing of vehicles on Lots and noncommercial repair of vehicles is permitted as provided in the Rules and Regulations. All motor vehicles, including without limitation trail bikes, motorcycles, dune buggies and snowmobiles, shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on Trails or unpaved portions of Common Area, except vehicles authorized by the Board of Directors for Upkeep of the Common Area.

Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the Rules and Regulations now or hereafter adopted may be towed by the Association at the sole expense of the owner of such vehicle. The Association shall not be liable to the owner of such vehicle for trespass, conversion or otherwise, nor guilty of any criminal act by reason of such towing.

(o) Timesharing. No Lot shall be subjected to or used for any timesharing, cooperative, licensing or other arrangement that would entail weekly, monthly or any other type of revolving or periodic occupancy by multiple Owners, cooperators, licensees or timesharing participants.

(p) Animals. The maintenance, keeping, boarding or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited on any Lot or upon the Common Area, except for guide animals and a reasonable number of orderly, traditional domestic pets (e.g., two dogs, cats or caged birds), is permitted subject to the Rules and Regulations adopted by the Board of Directors; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding. Any pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon ten days written notice from the Board of Directors. Pets shall not be permitted upon the Common Area unless accompanied by someone who can control the pet and unless carried or leashed. The person walking the pet shall clean up pet droppings. Any Owner who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, each Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Property. All pets which regularly leave the Lot shall be registered and inoculated as required by law. The Board of Directors may establish reasonable fees for registration of pets not to exceed the additional costs incurred by the Association due to the presence of such pets.

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

(r) Open Fires. Open burning is not permitted on the Property, except that outdoor fireplaces, grills, and chimneys may be used if equipped with fire screens to prevent the discharge of embers or ashes.

(s) Lighting. No exterior lighting shall be directed outside the boundaries of a Lot without the prior written approval of the appropriate Covenants Committee.

(t) Aesthetic Issues. Unless in compliance with the applicable Design Guidelines, mailboxes and newspaper tubes, exterior clotheslines and swimming pools may not be installed on a Lot.

(u) Home Offices or Home Businesses. No Lot shall be used for any business, commercial, manufacturing, mercantile, storage, vending, sales or other non-residential purpose; provided, however, that an Owner may maintain an office or home business in the dwelling on such Owner's Lot if: (1) such office or home business is operated by the Owner or a member of the Owner's household residing on the Lot; (ii) there are no displays or signs indicating that the Lot is being used other than a residence except with the prior written approval of the Board of Directors; (iii) such office or business does not generate significant traffic or parking usage (as determined by the Board of Directors) by clients, customers or other persons related to the business; (iv) no equipment or other items related to the business are stored, parked or otherwise kept on such Owner's Lot or the Property outside of an approved enclosure, except with the prior written approval of the Board of Directors; (v) such Owner has obtained any required approvals for such use from the appropriate local governmental agency; (vi) the activity is consistent with the residential nature of the Property and complies with local ordinances; (vii) the dwelling is used primarily as a residence; and (viii) the Owner has obtained prior written approval of the Board of Directors. As a condition to such use, the Board may require the Owner to pay any increase in the rate of the insurance, trash removal, utilities or other costs for the Association or other Owners which may result from such use. Garage sales, yard sales and similar activities shall be conducted only in accordance with the Rules and Regulations adopted by the Board of Directors.

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

(w) Garages. No garage on a Lot shall be converted to living space or altered or used for purposes which would prevent the use of the garage for the parking of the intended number of vehicles for which it was constructed without the prior written approval of the Covenants Committee and the Town. This covenant may be enforced by the Town and may not be modified without the Town's consent.

(x) Proffer and Zoning Changes. No Person other than the Declarant shall make any request or application to any governmental or quasi-governmental authority having jurisdiction over the Property or an Owner's Lot, or over both, to change or alter the zoning, the Development Plan or the Proffers, or to seek any other governmental or quasi-governmental approvals for the Property or any Additional Land, including any changes that reasonably could affect the zoning, densities or Development Plan for all or any portion of the Property, except with the consent of the Declarant or, after the Development Period, of the Association, to be granted or withheld in their respective sole discretion.

Section 8.3. Rules and Regulations.

(a) Adoption; Variances. The Board of Directors shall have the power to adopt, amend and repeal Rules and Regulations restricting and regulating the use and enjoyment of the Property or of any portion thereof, which may supplement, but may not be inconsistent with the provisions of the Association Documents. The Board of Directors may issue temporary or permanent exceptions or variances to any prohibitions expressed or implied by this Article, for good cause shown, in accordance with the procedures set forth in Subsection 9.1(d).

(b) Distribution. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Owner and to each occupant requesting the same. Changes to the Rules and Regulations shall be published prior to the time when the same shall become effective and copies thereof shall be provided to each Owner and to each occupant requesting the same.

(c) Scope. For the purposes of interpretation and enforcement of the Rules and Regulations, the Property shall be deemed to include the real estate immediately adjacent to the Property within the public rights-of-way or otherwise to the extent an Owner's or occupant's actions affect the appearance of or value of the Property. Rules and Regulations governing the actions of Owners or occupants on real estate adjacent to the Property shall be consistent with and reasonably necessary to the maintenance of a uniform quality of appearance and value of the Property.

(d) Limitation. The Rules and Regulations shall not unreasonably interfere with the use or enjoyment of the Lots or Common Area. Any Rules and Regulations adopted or amended after conveyance of a Lot to an Owner other than the Declarant or a Builder may only be amended (except for corrections or minor wording changes) by a two-thirds vote of the total number of directors, following a hearing for which due notice has been provided to all Owners.

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

Section 8.5. Leasing and Resale of Lots.

(a) Leasing. No dwelling or any portion thereof shall be used or occupied for transient or hotel purposes or in any event leased for an initial period of less than six months. No portion of any dwelling (other than the entire dwelling) shall be leased for any period; provided, however, that a reasonable number of roommates is permitted. No Owner shall lease a Lot other than on a written form of lease: (1) requiring the tenant to comply with the Association Documents; (2) providing that failure to comply constitutes a default under the lease; and (3) providing that after forty-five days prior written notice to the Owner, the Board of Directors has the power to terminate the lease or to bring summary proceedings to evict the tenant in the name of the lessor in the event of a default by the tenant under the Association Documents or the lease. The Board of Directors may suggest or require a standard form lease for use by Owners. Each

Owner shall, promptly following the execution of any lease of a Lot, forward a conformed copy thereof to the Board of Directors. The foregoing provisions of this subsection, except the restriction against use or occupancy for hotel or transient purposes, shall not apply to Lots owned by the Association, by the Declarant, or by a Mortgagee in possession of a Lot as a result of foreclosure, judicial sale or a proceeding in lieu of foreclosure.

(b) Resale.

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

(2) Notification. The contract seller of a Lot shall notify the Board of Directors of the name of the contract purchaser and the scheduled date and place of settlement.

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

Section 8.6. Resubdivision and Rezoning.

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

(b) Rezoning and Proffer Amendments. No Owner shall seek to rezone or amend the proffers affecting such Owner's Lot without the prior written approval of the Declarant during the Development Period and, thereafter, without the prior written approval of the Board of Directors. The Declarant reserves the right to seek to rezone or amend the zoning or proffers applicable to any portion of the Property or the Additional Land during the Development Period, without the joinder or approval of the Association or any other Owner, except the Owner of the real estate described in the application and directly affected by the amendment. To the extent the approval and consent of any other Owner is required under State or local law to apply for or obtain any rezoning or proffer condition amendment or to make any subdivision submission, then each Owner appoints the Board of Directors of the Association as attorney-in-fact to sign such application on behalf of the Owner or, in the alternative, upon request each Owner agrees to sign the application or other documents required for such action; provided, however, that such joinder shall be without liability or cost to such Owner unless such liability or cost is expressly accepted by such Owner; and provided, further, that this covenant does not

apply to any amendment which would materially, adversely affect an Owner's ability to use such Owner's Lot for its intended purposes.

ARTICLE 9

ARCHITECTURAL REVIEW

Section 9.1. Covenants Committee.

(a) Purpose and Membership. The Board of Directors shall establish a Covenants Committee, consisting of at least three persons appointed by the Board. The Covenants Committee may employ paid professional architects or design consultants when necessary. Each person shall serve for a term of from one to three years as may be determined by the Board of Directors, in order to assure that the Property shall always be maintained in a manner: (i) providing for visual harmony and soundness of repair; (ii) avoiding activities deleterious to the aesthetic or property values of the Property; and (iii) promoting the general welfare and safety of the Owners, such Owners' tenants and such Owners' (or tenants') households, guests, employees, agents and invitees. If the Board of Directors fails to appoint a Covenants Committee, then the Board of Directors shall perform the duties of the Covenants Committee.

(b) Powers.

(1) The Covenants Committee shall regulate the external design, signage, appearance, use and Upkeep of the Property; provided, however, that the Covenants Committee shall not have the power to regulate the activities of the Declarant on the Common Area or any Lot owned by the Declarant or construction on any Lot which has been approved by the Declarant during the Development Period; and provided, further, that the Covenants Committee shall not have the power to review initial construction on the Property, if such construction is reviewed by the Declarant.

(2) The Covenants Committee may from time to time establish requirements regarding the form and content of plans and specifications to be submitted for approval. The Covenants Committee shall have the power to impose reasonable application fees as well as the costs of reports, analyses or consultations required in connection with improvements or changes proposed by an Owner. Such fees shall be assessed against the Lot owned by the Owner making the application; provided, however, that the Committee shall inform the applicant Owner of the potential fees before incurring or assessing such fees and the Owner shall have the option to withdraw the application.

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

(4) Subject to the review of the Board of Directors, the Covenants Committee shall from time to time provide interpretations of the Association Documents



pursuant to the intents, provisions and qualifications thereof when requested to do so by an Owner or the Board of Directors. The Committee may publish and record such interpretations in order to establish precedents for application of the Association Documents or the Design Guidelines or other matters relative to architectural control and protection of the aesthetic or property values of the Property.

(5) The Covenants Committee shall propose changes or additions to the Design Guidelines for approval by the Board of Directors, subject to the limitations in Subsection 9.2(a). Such Design Guidelines approved by the Board of Directors are hereby incorporated by this reference and shall be enforceable as if set forth herein in full; provided, however, that no amendments or additions thereto, or exceptions or waivers therefrom, are permitted during the Development Period without the prior written approval of the Declarant.

(6) Subject to Subsection 12.1(h), a Majority Vote of the Covenants Committee shall be required in order to take any action. The Covenants Committee may request the assistance and/or participation of a paid professional architect or design consultant. The Covenants Committee shall keep written records of all its actions. Any action, ruling or decision of the Covenants Committee may be appealed to the Board of Directors by any party who appeared at a hearing with respect to such action, ruling or decision or who submitted a written protest prior to the action, ruling or decision or any other person as determined appropriate by the Board, or deemed by the Board to have standing as an aggrieved party and the Board may modify or reverse any such action, ruling or decision.

(7) The Covenants Committee shall have the right to inspect construction periodically. Any deviation from the approved drawings and specifications which materially changes the exterior appearance, quality or location of the improvement is a violation of the Association Documents. This section shall in no way affect any requirement for inspection by any governmental entity.

(c) Authority. The Covenants Committee shall have such additional duties, powers and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case-by-case basis. The Covenants Committee shall carry out its duties and exercise its powers and authority in accordance with Subsections 12.1(h) and (i) and in the manner provided for in the Rules and Regulations adopted by the Board of Directors or by resolution of the Board of Directors. Notwithstanding the foregoing, neither the Covenants Committee nor the Board of Directors shall have authority to regulate new construction or alterations of existing improvements by the Declarant or by others as approved by the Declarant during the Development Period.

(d) Time for Response; Variances or Exceptions. The Covenants Committee shall act on all matters properly before it within sixty days after its receipt of a complete application in the form prescribed by the Covenants Committee; failure to do so within the stipulated time shall constitute an automatic referral to the Board of Directors at the written request of the applicant. Except when a request is being handled by the Covenants Committee, the Board of Directors shall be obligated to answer any written request for approval of a proposed structural addition, alteration or improvement within fifteen days after the first Board of Directors meeting held following such referral to the Board, and failure to do so within the

stipulated time shall constitute a consent by the Board of Directors to the proposed structural addition, alteration or improvement; provided, however, that neither the Board of Directors nor the Covenants Committee has the right or power, either by action or failure to act, to waive enforcement or grant variances or exceptions from written Design Guidelines without a specific finding that enforcement of such guidelines would impose an unfair burden on such Owner or is otherwise not in the best interests of the Association and stating the variance or exception and the reasons therefor in a written instrument which shall be part of the records of the Association. Upon such written approval of any specific variance or exception from the requirements of the Design Guidelines, all development conforming to such variance or exception shall be deemed to comply.

(e) Standards for Enforcement. In performing its duties to accomplish its purpose as set forth in subsection (a), the Covenants Committee shall: foster harmonious relations between Owners, occupants and third parties, encourage direct communication between disputants, balance the need for enforcement against the economic, social and community effects of such enforcement in each individual case, evaluate the materiality of any claimed breach, consider community standards and treat all Owners and occupants fairly and equally. At the request of any party, the decision of the Covenants Committee on any matter shall contain a finding as to whether the decision preserves or protects property values and/or sustains or enhances the quality of life in the community.

(f) Determination of Violations. The Covenants Committee shall establish a policy for the consideration of violations of the Association Documents, Rules and Regulations, Design Guidelines and other provisions which the Covenants Committee is empowered to enforce. Such policy shall provide whether the Covenants Committee will proactively seek out certain violations or reactively respond to complaints filed by the Owners and occupants. The Covenants Committee shall direct the management company as to the specific extent of management's enforcement duties (in accordance with the management agreement).

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

(a) Initial Construction. The Declarant shall have the right to adopt all initial Design Guidelines for the Property during the Development Period and review and approve or disapprove the plans for the initial construction of any structure to be located on the Property, including without limitation the site development plan, architectural design, architectural materials, landscaping plans, minimum square footage, non-structural improvements and general appearance in order to ensure the quality and compatibility of style of all the improvements to be located on the Property. Such Design Guidelines for new construction, as the same may be amended by the Declarant during the Development Period from time to time, are hereby incorporated herein by this reference and shall be enforceable as if set forth herein in full. The Declarant has the right or power to waive enforcement or grant variances or exceptions from written Design Guidelines in a written instrument stating the variance which shall be part of the records of the Association. Upon such written approval of any specific variance or exception from the requirements of the Design Guidelines, all development conforming to such variance or exception shall be deemed to comply. If initial construction on the Property occurs after the Development Period, then such construction will be reviewed by the Covenants Committee.



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

Section 9.4 Additions, Alterations and Improvements Requiring Approval.

(a) Approval Required.

(1) No Person shall make any addition, alteration, improvement or change of grade in or to any Lot (other than for normal Upkeep or natural landscaping and not including areas within a building visible from the exterior only because of the transparency of glass doors, walls or windows) which is Visible from Neighboring Property, without the prior written approval of the Covenants Committee. No Person shall paint, affix a sign not permitted by the Rules and Regulations to or alter the exterior of any improvement, including the doors and windows, if such exterior is Visible from Neighboring Property, without the prior written approval of the Covenants Committee. Approval by the Declarant, the Board of Directors or the Covenants Committee shall not relieve an Owner from any obligation to obtain required governmental approvals and permits. The Owner shall deliver all approvals and permits required by law to the Declarant, the Covenants Committee or Board of Directors, as appropriate, prior to the commencement of the construction requiring such approval or permit. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement to any Lot or improvement located on any Lot requires signature by the Association, and provided consent has been given by the Board of Directors or the Covenants Committee, as appropriate, then the application shall be signed on behalf of the Association by an Officer only, without incurring any liability on the part of the Officer, Board of Directors, the Association, the Covenants Committee or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any Person having a claim for personal injury or property damage arising therefrom. Any addition, alteration or improvement upon any Lot in violation of the Association Documents shall be removed or altered to conform to the Association Documents (including the Design Guidelines) within thirty days after notice of the violation from the Board of Directors or the Covenants Committee.

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

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

(b) Limitations.

(1) Any Person obtaining approval of the Covenants Committee shall commence construction or alteration in accordance with plans and specifications approved within six months after the date of approval and shall substantially complete any construction or alteration within twelve months after the date of approval, or within such other periods as are specified in the approval during which to commence or complete construction. If any such Person does not commence work within the time period specified, the approval shall lapse.

(2) Any Person obtaining approval of the Covenants Committee shall not deviate materially from the plans and specifications approved without the prior written consent of the Committee. Such Person shall notify the Committee when the alterations or improvements are complete. Approval of any particular plans and specifications or design does not waive the right of the Committee to disapprove such plans and specifications, or any elements or features thereof, if such plans and specifications are subsequently submitted for use in any other instance or by any other Person.

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

(d) New Construction. With respect to initial construction, all references to the Covenants Committee shall be deemed to mean the Declarant, and such initial construction shall be subject only to such limitations as determined by the Declarant.

ARTICLE 10

INSURANCE

Section 10.1. General Provisions.

(a) Authority, Liability and Notice. The Board of Directors shall have the power and responsibility on behalf of the Association to (1) purchase insurance policies relating to the Common Area, (2) adjust all claims arising under such policies and (3) sign and deliver releases upon payment of claims. The cost of all insurance policies purchased by the Board relating to the Common Area shall be a Common Expense or a Limited Common Expense, as appropriate. The Board of Directors, the managing agent and the Declarant shall not be liable for failure to obtain any coverages required by this Article or for any loss or damage resulting from such failure: (i) if such failure is due to the unavailability of such coverages from reputable insurance companies; (ii) if such coverages are so available only at demonstrably unreasonable cost; or (iii) if the Association's insurance professionals advise that the coverages required by

paragraph (2) of Subsection 10.2(b) are unnecessary. Exclusive authority to negotiate losses under policies purchased by or on behalf of the Association shall be vested in the Board of Directors or with its authorized representative. The Board of Directors shall promptly notify the Owners and Mortgagees of material adverse modifications, lapses or termination of, insurance coverages obtained on behalf of the Association.

(b) Policy Requirements.

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

(2) The deductible or self-insured retention (if any) on any insurance policy purchased by the Board of Directors shall be a Common Expense (or a Limited Common Expense, as appropriate); provided, however, that the Association may, pursuant to Subsections 6.2(c) and 12.1(a), assess any deductible amount necessitated by the misuse or neglect of an Owner, or such Owner's tenant or such Owner's (or tenant's) household, guests, employees, agents or invitees against the Lot owned by such Owner.

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

(4) Each such policy shall provide that:

(A) The insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Board of Directors, the managing agent, any Owner and the Owner's household, guests, employees, tenants, agents and invitees;

(B) Such policy shall not be cancelled, invalidated or suspended due to the conduct of any Owner, or such Owner's tenant or such Owner's (or tenant's) household, guests, employees, agents and invitees, or of any Officer or employee of the Board of Directors or the managing agent without a prior demand in writing that the Board or the managing agent cure the defect and neither shall have so cured such defect within thirty days after such demand;

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

(D) The Association is the "First Named Insured" under such policy.

Section 10.2. Property Insurance.

(a) Coverage. The Board of Directors shall obtain and maintain a property insurance policy written on a Special Covered Causes of Loss Form, including without limitation fire damage, vandalism, malicious mischief, sprinkler leakage (if applicable), cost of demolition, debris removal, and water damage coverage, insuring any improvements located on the Common Area, together with all air conditioning and heating equipment and other service machinery

contained therein and covering the interests of the Association, in an amount equal to one hundred percent of the then current full insurable replacement cost of any improvements located on the Common Area (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined periodically by the Board with the assistance of the insurance company affording such coverage). The Board of Directors shall also obtain and maintain appropriate coverage on all personal property and real estate other than the Common Area owned by the Association.

(b) Waivers and Endorsements. Each such policy shall also provide:

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

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

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

(4) such deductibles and self-insured retentions as to loss as the Board of Directors in its sole discretion deems prudent and economical; and

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

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

(d) Notice to Mortgagees. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to improvements located on the Common Area in excess of ten percent of the annual budget for Common Expenses. The Mortgagee of any Lot insured by the Association shall be notified promptly of any event giving rise to a claim under such policy arising from damage to improvements located on such Lot.

Section 10.3. Liability Insurance. The Board of Directors shall obtain and maintain liability insurance in such limits as the Board may from time to time determine, insuring the Association, each director and officer, the managing agent, the Owners and the employees of the Association against any liability to the public or to any Owner or such Owner's tenants and such Owner's (or tenant's) household, guests, employees, agents and invitees arising out of, or incident to the ownership or care, custody, control and use of the Common Area or any facilities located in the public right-of-way. Such insurance shall be issued on a commercial general liability basis and shall contain: (1) a cross-liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another named insured; (2) hired and non-owned vehicle coverage; (3) host liquor liability coverage with respect to events sponsored by the Association; (4) products and completed operations coverage; and (5) a "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to an Owner because of negligent acts of the Association or of another Owner. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars covering all claims for bodily injury, property damage, personal injury and advertising injury. This coverage, or a separate policy, shall also contain protection for the Association if it operates a website or conducts business using the website, email or similar means. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than two million dollars.

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

(1) **Fidelity.** Adequate fidelity insurance coverage to protect against dishonest acts on the part of directors, Officers, trustees and employees of the Association and all others who handle or are responsible for handling funds of the Association, including the managing agent and volunteers. If the Association has delegated some or all of the responsibility for handling funds to a managing agent, such managing agent shall be covered by its own fidelity insurance. Such fidelity insurance (except for fidelity insurance obtained by the managing agent for its own personnel) shall: (i) name the Association as the insured; (ii) be written in an amount not less than one-third the total annual assessment for Common Expenses or the amount required by the Mortgagees, FNMA or FHLMC, whichever is greatest; (iii) contain waivers of any defense based upon the exclusion of Persons who serve without compensation from any definition of "employee" or similar expression; and (iv) may provide that the managing agent is an insured under the policy;

(2) **Flood Insurance.** If required by a majority of the Mortgagees or governmental regulations, flood insurance in accordance with the then applicable regulations for such coverage;

(3) **Workers' Compensation.** Workers' compensation and employers liability insurance if and to the extent necessary to meet the requirements of law (including a voluntary employees endorsement and an "all states" endorsement);

(4) **Boiler and Machinery/Mechanical Breakdown Insurance.** If applicable, pressure, mechanical and electrical equipment including information technology and air conditioning equipment coverage on a comprehensive form in an amount not less than the

greater of (A) fifty thousand dollars per accident per location or (B) the replacement cost of all such insured equipment;

(5) Directors and Officers Liability Insurance. Directors and officers liability insurance in an amount not less than one million dollars including coverage for the Association, directors, officers, committee members and employees. The policy may also provide that the managing agent is an insured under the policy except with respect to claims that the managing agent may file against the Association or that the Association may file against the managing agent. Such coverage, to the extent available, shall include non-monetary damages, breach of contract, fair housing disputes and allegations of wrongful purchase of the insurance program in form, content or amount; and

(6) Other. Such other insurance: (i) as the Board of Directors may determine; (ii) as may be required with respect to the Additional Land by any amendment to this Declaration adding such Additional Land; or (iii) as may be requested from time to time by a Majority Vote of the Owners. Such insurance may include, without limitation: (i) business income and extra expense; (ii) employee benefits; (iii) employment practices liability; (iv) auto (owned); (v) medical payments protection; and (vi) electronic data processing (EDP) coverage.

Section 10.5. Insurance on Lots. Each Owner shall have the right to obtain insurance for such Owner's benefit, at such Owner's expense, covering the improvements located on such Owner's Lot and such Owner's liability. No Person shall acquire or maintain insurance coverage on the Common Area insured by the Association so as to: (i) decrease the amount which the Board of Directors may realize under any insurance policy maintained by the Board or (ii) cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by such Person.

ARTICLE II

RECONSTRUCTION AND REPAIR

Section 11.1. When Reconstruction or Repair Required.

(a) Common Area. Except as otherwise provided in Section 11.4, if all or any part of any improvement located on the Common Area is damaged or destroyed by fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration thereof. The Association shall not use the proceeds of casualty insurance received as a result of damage or destruction of improvements located on the Common Area for purposes other than the repair, replacement or reconstruction of such improvements except in accordance with Sections 11.4 and 15.4.

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



the casualty and will comply with the Design Guidelines, no prior approval of the Covenants Committee shall be required.

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

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to any portion of any improvement located on the Common Area, the Board of Directors shall obtain reliable and detailed estimates of the cost of restoring and repairing such improvement (including without limitation any floor coverings, fixtures and appliances) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

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

Section 11.3. Disbursement of Construction Funds for Common Area.

(a) Construction Fund and Disbursement. The proceeds of insurance collected on account of a casualty and the sums received by the Board of Directors from the collection of Assessments against the Owners pursuant to Subsection 11.3(b) or any Owner pursuant to Subsections 6.2(c) or 12.1(a), shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner.

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

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

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

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

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

ARTICLE 12

COMPLIANCE AND DEFAULT

Section 12.1. Compliance and Enforcement. Each Owner shall be governed by, and shall comply with, all of the terms of the Association Documents and the Rules and Regulations as they may be amended from time to time. A default by an Owner shall entitle the Association, acting through its Board of Directors or through the managing agent, to the relief set forth in this section.

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

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



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

(d) Interest. If a default by any Owner in paying any sum assessed against such Owner's Lot, except for Common Expenses, continues for a period in excess of thirty days, interest at the higher of (i) twelve percent per annum compounded quarterly, or (ii) that interest rate then charged by the Internal Revenue Service (or a successor agency) on delinquent taxes may be imposed in the discretion of the Board of Directors on the principal amount unpaid from the date due until paid; provided, however, that if the Board of Directors does not impose interest, the Board shall set forth its reasons for not charging such interest in a written record of its decision. The imposition of interest shall not preclude collection of a late charge nor shall a late charge levied pursuant to Section 6.5 be considered interest subject to the limitations of this subsection.

(e) Abating and Enjoining Violations. The violation of any of the Rules and Regulations adopted by the Board of Directors or the breach of any provision of the Association Documents shall give the Board of Directors the right, in addition to any other rights set forth in the Association Documents or the Rules and Regulations: (1) to enter the portion of the Property (excluding any dwelling) pursuant to Section 3.3, on which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Association Documents or the Rules and Regulations, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; (2) to use self-help to remove or cure any violation of the Association Documents or the Rules and Regulations on the Property (including without limitation the towing of vehicles); or (3) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; provided, however, that before any construction may be altered or demolished (except in emergencies) judicial proceedings shall be instituted.

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

(g) Suspension of Rights; Other Remedies.



(1) The Board of Directors or the Covenants Committee, as appropriate, shall have the power to suspend an Owner's voting rights pursuant to Subsection 3.2(d) of the Bylaws.

(2) The Board of Directors or the Covenants Committee, as appropriate, shall also have the power to suspend the right of an Owner or occupant, and the right of such Person's household, guests, employees, tenants, agents and invitees, to use the Common Area for a reasonable period not to exceed sixty days for any violation of any provision of any of the Association Documents or the Rules and Regulations or for any period during which any assessment against an Owner's Lot remains unpaid; provided, however, that the Association shall not suspend the right to use the alleys located on the Common Area for both vehicular and pedestrian ingress and egress to and from such Owner's Lot and for parking or to use the Common Area for necessary, ordinary and reasonable pedestrian ingress and egress to and from such Owner's Lot, or to suspend any easement over the Common Area for utilities (storm water drainage, electricity, water, sanitary sewer, natural gas) or telecommunications (television reception, telephone service) or similar utilities and services to the Lots.

(3) If a utility service is paid for as a Common Expense or a Limited Common Expense and an Owner does not pay the Assessment for such Common Expense or Limited Common Expense for a period of more than sixty days, then such utility service may be discontinued to such Owner until payment of the Assessment for such service is made; provided, however, that such suspension shall not endanger the health, safety or property of any Owner or occupant.

To the extent not prohibited by the POA Act or other law, the Board of Directors or Covenants Committee may impose the foregoing sanctions for non-payment of Assessments without giving the Person charged with the violation notice and an opportunity for a hearing.

(h) Charges. The Board of Directors or the Covenants Committee, depending on the provision violated and which entity has the responsibility to enforce the provision, shall have the power to impose charges in the case of an Owner found by the Board or Committee to be responsible for a violation of the Association Documents or the Rules and Regulations. No such penalty shall be imposed until the Person charged with such a violation (hereafter "respondent" for the purposes of this Section 12.1) has been given notice and an opportunity for a hearing as set forth in paragraph (i) below. Charges may not exceed Fifty Dollars for each violation, or Ten Dollars per day for each violation of a continuing nature, or such greater amounts as may be permitted by the POA Act and imposed by the Board or Committee. No charge may be imposed for failure to pay an assessment except as otherwise provided in the Declaration. Charges are Individual Assessments and shall be collectible as such and, if against an Owner, shall also constitute a lien against a Lot in accordance with Section 12.2 to the extent permissible under the law of the jurisdiction in which the Property is located. Imposition of a charge does not preclude the liability of an Owner for reimbursement to the Association of costs incurred by the Association.

(i) Due Process. The Board of Directors or the Covenants Committee may deliberate privately, but shall either announce its decision in the presence of the respondent or give the respondent notice thereof. A decision adverse to the respondent shall require a two-thirds vote of the entire membership of the Board or Committee. The Board or Committee,



before imposing any charge or before taking any action affecting one or more specific Owners, shall afford such Owners the following basic due process rights.

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

(2) Hearing. If the respondent is entitled to a hearing and requests in writing a hearing before any charge is imposed or action taken, then the imposition of the charge or the taking of the action shall be suspended until the respondent has an opportunity to be heard at a hearing at which the Board of Directors or the Covenants Committee discusses such charge or action. Each Person so appearing shall have the right to be represented by such Person's counsel, at such Person's own expense. The hearing result shall be hand-delivered or sent by registered or certified mail, return receipt requested (or in any other manner permitted by law), to the Owner at the Owner's address of record with the Association within three days after the hearing.

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

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

(j) Privacy and Quiet Enjoyment. The Board of Directors, the Covenants Committee and the Association shall not interfere with the lifestyle or conduct of, or invade the privacy of, any Owner or occupant within an improvement unless necessary to protect the rights of another Owner or occupant or to protect adjacent Property from damage.

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

Section 12.2. Lien for Assessments.

(a) Lien. In addition to the lien established by the POA Act, the total Annual Assessment of each Owner for Common Expenses, including Limited Common Expenses, any Additional Assessment, any Individual Assessment or any other sum duly levied (including without limitation charges, interest, late charges, contractual charges, etc.), made pursuant to the Association Documents, is hereby declared to be a lien levied against any Lot owned by any Owner in accordance with this Declaration and Section 55-516 of the POA Act. Until fully paid and satisfied, the lien shall apply to and encumber all of the Lots that were owned, as of the date when payment was due, by the Owner from whom payment was due, and shall also apply to and encumber any and all Lots thereafter acquired by that Owner from the time such Owner becomes the Owner thereof. With respect to Annual Assessments, the lien is effective on the first day of each fiscal year of the Association and, as to Additional Assessments, Individual Assessments and other sums duly levied, on the first day of the next payment period which begins more than ten days after the date of notice to the Owner of such Additional Assessment, Individual Assessment or levy. The Board of Directors or the managing agent may file or record such other or further notice of any such lien, or such other or further document, as may be required to confirm the establishment and priority of such lien. The lien created by this section shall be prior to all liens and encumbrances hereafter recorded except Mortgages, real estate taxes and other charges levied by governmental authority and made superior by law. The personal obligation of the Owner to pay such Assessment shall, in addition, remain such Owner's personal obligation and a suit to recover a money judgment for non-payment of any Assessment or installment thereof, levied pursuant hereto, may be maintained without foreclosing or waiving the lien herein created to secure the same.

(b) Acceleration. If an Assessment against an Owner is payable in installments, upon a default by such Owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such Assessment may be accelerated, at the option of the Board of Directors, and the entire balance of the Assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner. If an Owner is delinquent in payment of Assessments for a prior fiscal year, then the entire Assessment (otherwise payable in installments) shall be due and payable in full when assessed, upon receipt of notice of such Assessment by the defaulting Owner.

(c) Enforcement. The lien for Assessments may be enforced and foreclosed in any manner permitted by the laws of the jurisdiction in which the Lot is located for foreclosure of mortgages or deeds of trust containing a power of sale or by an action in the name of the Board of Directors, or the managing agent, acting on behalf of the Association. Any such sale provided for herein is to be conducted in accordance with the provisions of Section 55-516I of the POA Act, Sections 55-59.1 through 55-59.4 of the Code of Virginia (1950), as amended, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted or provided by law. The Declarant, through its duly authorized agents, shall have the power to bid on the liened property at any foreclosure sale, and to acquire, lease, mortgage and convey the same. During the pendency of any such action to enforce the Association lien, the Owner shall be required to pay a reasonable rental for the Lot for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the laws of the jurisdiction. The Association shall also have the power to bid on the Lot at

foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with such Lot.

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

Section 12.3. Subordination and Mortgagee Protection. Notwithstanding any other provision hereof to the contrary, the lien of any Assessment levied pursuant to the Association Documents upon any Lot (and any charges, interest on Assessments, late charges or the like) shall be subordinate to, and shall in no way affect the rights of the holder of a Mortgage made in good faith for value received; provided, however, that such subordination shall apply only to Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to foreclosure or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the holder of a Mortgage or the purchaser of the Lot at such sale from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment, which lien shall have the same effect and be enforced in the same manner as provided herein. Notwithstanding any other provision of this Declaration, to the extent specifically permitted by Virginia statute in the future, the Association's lien shall prime a Mortgage to the extent of six-months worth of Assessments which would have become due (based on the budget adopted by the Association) in the absence of acceleration during the six months immediately preceding perfection of the lien.

Section 12.4. Supplemental Enforcement of the Lien. In addition to the proceedings at law or in equity for the enforcement of the lien established by the Association Documents, all of the Owners may be required by the Declarant or the Board of Directors to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established thereby and may likewise be required to secure the payment of such future obligations by recording a declaration of trust in the Land Records granting one or more trustees appropriate powers to the end that, upon default in the performance of such bond, such declaration of trust may be foreclosed by such trustees acting at the direction of the Board of Directors. If any such bonds, have been executed and such declaration of trust is recorded, then any subsequent purchaser of a Lot shall take title subject thereto and shall assume the obligations provided for therein.

ARTICLE 13

MORTGAGEES

Section 13.1. Notice to Board of Directors. Upon request, an Owner who mortgages such Owner's Lot shall notify the Board of Directors of the name and address of the holder of the Mortgage. No holder of a Mortgage shall be entitled to any Mortgagee rights under the Association Documents unless such holder of a Mortgage has notified the Board of its address as required by Section 13.2 and has requested all rights under the Association Documents.

Section 13.2. Notices to Mortgagees. Any holder of a Mortgage who desires notice from the Association shall notify the Secretary of the Association to that effect by certified or registered United States mail, postage prepaid. Any such notice shall contain the name and

address, including post office address of such Mortgagee and the name of the person to whom or office to which notices from the Association should be directed. The Mortgagee shall be responsible for keeping such information current. The Board of Directors shall notify Mortgagees of the following:

- (1) Any default by an Owner of a Lot upon which the Mortgagee has a Mortgage (i) in paying Assessments (which remains uncured for sixty consecutive days) or (ii) any other default, simultaneously with the notice sent to the defaulting Owner (failure to notify the Mortgagee shall not affect the validity of the Association's lien);
- (2) In accordance with Subsection 10.2(d), any event giving rise to a claim under the Association's property insurance policy arising from damage to improvements located on the Property;
- (3) All actions taken by the Association with respect to reconstruction of the Common Area or a Lot upon which the Mortgagee has a Mortgage;
- (4) Any termination, lapse or material adverse modification in an insurance policy held by the Association at least ten days in advance;
- (5) Any taking in condemnation or by eminent domain of the Common Area and the actions of the Association in connection therewith;
- (6) Any proposal to terminate this Declaration or dissolve the Association, at least sixty days before any action is taken to terminate or dissolve in accordance with Articles 15 and 16; and
- (7) Any proposal to amend materially the Articles of Incorporation, this Declaration or the Bylaws or to take an extraordinary action, at least ten days before any action is taken pursuant to Section 15.4.

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

ARTICLE 14

CONDEMNATION

Section 14.1. Definition. For the purposes of this Article, "Taking" means an acquisition of all or any part of the Common Area or of any interest therein or right accruing thereto as a result of in lieu of or in anticipation of the exercise of the right of condemnation or

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

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

ARTICLE 15

AMENDMENT; EXTRAORDINARY ACTIONS

Section 15.1. Amendment by the Declarant. In addition to corrective amendments made pursuant to Section 15.5, during the Development Period, and subject to Section 15.6, the Declarant may unilaterally without the approval of any Owner or Mortgagee amend any provision of this Declaration to: (1) satisfy the requirements of any government, governmental agency or Mortgagee; (2) reflect the relocation of boundary lines between the Common Area and any Lots or among any Lots; provided, however, that such relocation does not materially and adversely affect any Owner other than the Declarant and that such relocation is reflected in an approved resubdivision of all or any part of the Property; (3) depict the assignment of Limited Common Area as required by Subsection 3.9; (4) amend Exhibit B (pursuant to Subsection 4.1(b)); (5) add all or any portion of the Additional Land in accordance with Section 4.1; and (6) withdraw Submitted Land in accordance with Section 4.4.

Section 15.2. Amendment by the Association.

(a) Owner Approval. In addition to corrective amendments made pursuant to Section 15.6, and subject to Sections 15.3, 15.4 and 15.5, the Association may amend this Declaration by at least a Sixty-seven Percent Vote of the Owners or with the written approval of Owners entitled to cast at least sixty-seven percent of the total number of votes. If twenty-five percent or less of the Owners own Lots with seventy-five percent or more of the votes, then any such vote shall require at least a majority of the total number of Owners voting in favor.

(b) Certification. An amendment by the Association shall be certified by the President as to compliance with the procedures set forth in this Article, signed and acknowledged by the President and Secretary of the Association, and recorded among the Land Records. In accordance with Section 55-515.1E of the POA Act, an action to challenge the validity of an amendment may not be brought more than one year after the amendment is effective.

(c) Supplementary Declarations. Amendment of a Supplementary Declaration is governed by the provisions for amendment contained therein and the requirements of Section 15.4. A Supplementary Declaration may not include provisions inconsistent with the Declaration except as specifically provided by the Declarant in accordance with Section 4.1. Although the Declaration and Supplementary Declaration should be construed to give effect to both, in the case of conflicting provisions, the Declaration shall control.

Section 15.3. Prerequisites to Amendment. Written notice of any proposed amendment to this Declaration or any Supplementary Declaration by the Association shall be sent to every Owner (or every Owner of a Lot subject to such Supplementary Declaration) at least fifteen days before any action is taken. No amendment shall increase the financial obligations of an Owner in a discriminatory manner or further restrict development on existing Lots in a discriminatory manner. No amendment to the Declaration shall diminish or impair the rights of the Declarant during the Development Period under the Declaration without the prior written consent of the Declarant. No amendment to the Declaration shall diminish or impair the express rights of the Mortgagees under the Declaration without the prior written approval of at least Fifty-one Percent of the Mortgagees. No amendment may modify this Article or the rights of any Person hereunder without obtaining the approvals required by Subsections 15.4(c) and (f). Except as specifically provided in the Declaration, no provision of the Declaration shall be construed to grant to any Owner or to any other Person any priority over any rights of Mortgagees.

Section 15.4. Extraordinary Actions and Material Amendments. The provisions of this section shall not be construed to reduce the vote that must be obtained from Owners where a greater vote is required by the Act or other provisions of the Association Documents nor shall it be construed to lessen the unilateral rights given to the Declarant pursuant to Articles 3, 4 and 15 to amend the Declaration or a Supplementary Declaration without the approval or joinder of the Association or any Owner or Mortgagee or Secondary Mortgage Market Agency. With respect to amendments to a Supplementary Declaration subject to this section, only the approval of the Owners owning Lots subject to such Supplementary Declaration shall be required to the extent the Supplementary Declaration so provides.

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

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



- (7) reduction of insurance requirements;
- (8) restoration or repair of the Common Area or Lots;
- (9) the addition, annexation or withdrawal of real estate to or from the Property;
- (10) voting rights (except to reduce the Declarant's voting rights with the consent of the Declarant);
- (11) restrictions affecting lease or sale of a Lot; and
- (12) any provision which is for the express benefit of the Mortgagees.

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

- (1) determining not to require professional management after the Declarant Control Period, if professional management has been required by the Association Documents, a Majority Vote of the Owners or a Majority Vote (or approval) of the Mortgagees;
- (2) expanding the Association (i) so as to increase the overall area of the Property described in Exhibit A by greater than ten percent or increase the number of planned dwellings by greater than ten percent or (ii) by including real estate which is not adjacent to or across a public right-of-way or private street from the Property;
- (3) abandoning, partitioning, encumbering, mortgaging, conveying, selling or otherwise transferring or relocating the boundaries of the Common Area except for:
 - (i) granting easements for utilities or other purposes to serve the Property or adjacent real estate which are not inconsistent with and which do not interfere with the intended use of such Common Area;
 - (ii) dedicating or conveying a portion of the Common Area to a public authority or a governmental entity;
 - (iii) making conveyances or resubdivisions as part of a boundary-line adjustment or otherwise pursuant to Section 2.2; and
 - (iv) conveyances to an entity formed for similar purposes pursuant to a consolidation or merger;
- (4) using insurance proceeds for purposes other than repair and reconstruction of the insured improvements; and
- (5) making capital improvements (other than for Upkeep of existing Common Area improvements) during any period of twelve consecutive months costing in excess

of twenty percent in the aggregate of the total Annual Assessment for Common Expenses for the fiscal year.

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

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

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

- (1) amendment or addition of any provisions of the Association Documents regarding rights of first refusal or similar restrictions on the right of Owners to sell, transfer or otherwise convey a unit;
- (2) termination of the Declaration or of the planned unit development;
- (3) dissolving, merging or consolidating the Association, except pursuant to a merger or consolidation with another nonprofit entity formed for purposes similar to the purposes for which the Association was formed; or
- (4) conveyance of all the Common Area, except to an entity formed for similar purposes pursuant to a consolidation or a merger.

(f) Mortgage Approvals. Any material amendment or extraordinary action listed in subsections (a), (b) and (c) except paragraph (5) of subsection (b) must also be approved by Fifty-one Percent of the Mortgagees. If a Mortgagee is notified of proposed amendments or actions of the Association in writing by certified or registered United States mail, return receipt requested (or by any other means accepted as good delivery of notice under applicable law), and such Mortgagee does not deliver a negative response within thirty days, such Mortgagee shall be deemed for the purposes of this Declaration to have approved such amendment or action.



Approval by a Mortgage also includes the issuance of any written waiver or letter stating "no objection."

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

(h) VA or FHA Consent. When a VA guarantee is in effect on a Mortgage, without the consent of VA, or when FHA insurance is in effect on a Mortgage, without the consent of FHA: (i) the Declarant may not amend the description of Additional Land except as provided in Section 4.1; and (ii) during the Declarant Control Period, the Association may not take any action described in Section 15.4(a), (b) or (e); the foregoing shall only apply for so long as a Lot within the Property is encumbered by a loan guaranteed by VA or insured by FHA. In addition, during the Declarant Control Period, VA and FHA must be informed of all amendments to the Association Documents if such documents have been previously approved by such agency. This provision may be enforced only by FHA or VA.

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

Section 15.5. Corrective Amendments. The Declarant may unilaterally sign and record a corrective amendment or supplement to the Declaration to correct a mathematical mistake, an inconsistency or a scrivener's error, or clarify an ambiguity in the Declaration with respect to an objectively verifiable fact (including without limitation recalculating the liability for Assessments or the number of votes in the association appertaining to a Lot), within five years after the recordation of the Declaration containing or creating such mistake, inconsistency, error or ambiguity. Regardless of the date of recordation of the Declaration, the president of the Association may also unilaterally sign and record such a corrective amendment or supplement upon a vote of two-thirds of the members of the Board of Directors.

Section 15.6. Town Approval. A number of provisions are contained within this Declaration to comply with the Proffers or conditions of subdivision approval applicable to the Property or the Additional Land. No Supplementary Declaration or amendment, including an amendment withdrawing land as provided in Section 4.4 or otherwise, shall impair the right and authority of the Town to require compliance with the Proffers and subdivision approval conditions applicable to the Property without the prior written approval of the Town. In addition, the Association shall not be dissolved, except pursuant to a consolidation or merger with an entity formed for similar purposes, or the Declaration terminated without the prior written approval of the Town.



ARTICLE 16

TERMINATION

Section 16.1. Duration; Termination by the Association. The covenants and restrictions of this Declaration shall run with the land and bind the Property and be in full force and effect in perpetuity except as amended as provided above or unless terminated as hereinafter provided. Subject to Sections 15.4, 15.5 and 15.6, the Association may terminate this Declaration only by: (i) a vote of the Owners entitled to cast at least seventy-five percent of the total number of votes; (ii) with the written approval of Owners entitled to cast at least seventy-five percent of the total number of votes; or (iii) with the written approval of Owners of three-fourths of the Lots. The termination shall not be effective until certified by the President as to compliance with the procedures set forth in this Article, signed and acknowledged by the President and Secretary of the Association and recorded among the Land Records.

Section 16.2. Prerequisites. Written notice of the proposed termination shall be sent to every Owner and Mortgagee at least sixty days before any action is taken. The Declaration may not be terminated during the Declarant Control Period without the prior written consent of the Declarant. Such termination shall not affect any permanent easements or other permanent rights or interests relating to the Property created by or pursuant to the Association Documents. To the extent necessary, the termination agreement shall provide for the transfer or assignment of the easements, rights or interests granted to the Association herein to a successor entity which is assuming the Association's Upkeep and regulatory responsibilities. Any lien which has arisen pursuant to the provisions of the Declaration shall remain in full force and effect despite termination of the Declaration until the amounts secured thereby are paid in full.

Section 16.3. Transfers Upon Dissolution. Upon the dissolution of the Association other than incident to a merger or consolidation, the assets of the Association shall be granted, conveyed and assigned to another nonprofit corporation, association, trust or other organization or government agency devoted to purposes similar to those for which the Association was created; provided, however, that if a site plan is approved for the Property, or any portion thereof containing Common Area, which changes the design, layout or use of the Property in such a manner that the Common Area is no longer necessary to the new design, layout or use of the Property, then such Common Area and other associated assets of the Association may be distributed as agreed upon by the Owners in accordance with the requirements of Section 15.4.

ARTICLE 17

ALTERNATIVE DISPUTE RESOLUTION

The purpose of the Declaration is to establish a harmonious community. Because the prompt, efficient, fair and non-belligerent resolution of any disputes is desirable, any controversy arising out of or relating to this Declaration, or a breach thereof, or any other dispute between the Declarant and the Association or any Owner of a Lot shall be resolved as set forth in this Article.

Section 17.1 Direct Communication. The parties to the disagreement shall set forth their respective positions in the dispute in correspondence. Each party shall respond within seven days after receipt of a letter from the other until agreement is reached.

Section 17.2 Mediation. If the dispute cannot be resolved through direct communication of the parties, any party may request appointment of a neutral and properly credentialed mediator. All parties shall participate in the mediation in good faith until the dispute is resolved for a period not to exceed thirty days without the consent of all parties. The cost of the mediation shall be divided equally among the parties.

Section 17.3 Arbitration.

(a) Method. If the dispute cannot be resolved through mediation, either party may request appointment of one or more neutral arbitrators. If the parties cannot agree on a single arbitrator, then each party shall appoint one arbitrator and the two appointed arbitrators shall select the third arbitrator. Each arbitrator shall be properly credentialed with expert knowledge and practical experience regarding the subject in dispute. The initiating Person shall give written notice of its decision to arbitrate by providing a specific statement setting forth the nature of the dispute, the amount involved and the remedy sought. The parties shall have an equal and fair opportunity to present their respective positions to the arbitrators, orally or in writing, as the arbitrators may specify depending on the nature of the dispute. The arbitrators may require such testimony, materials and documentation as they may determine to be appropriate. The arbitrators shall provide a written resolution within thirty days after the conclusion of the presentations of the parties and receipt of requested materials and documents.

(b) Costs. The arbitrator shall award to the prevailing party, if any, as determined by the arbitrator, all of its costs and expenses including any attorney's fees, arbitrator's fees and out-of-pocket expenses of any kind. The term "prevailing party" shall mean the party whose position is most nearly upheld in arbitration. (For example, the prevailing party would be the party who is required to pay \$1,000.00 in the arbitration proceeding where such party had, prior to the commencement of the arbitration, offered \$500.00 by way of settlement and the opposing party, refusing such offer, had claimed entitlement to \$10,000.00.)

(c) Binding Nature; Applicable Law. The consideration of the parties to be bound by arbitration is not only the waiver of access to determination by a court and/or jury, but also the waiver of any rights to appeal the arbitration finding other than for the reasons set forth in Sections 8.01-581.010 and 8.01-581.011 of the Code of Virginia (1950), as amended. A judgment upon an award rendered by the arbitrator may be entered in any court having jurisdiction. Unless otherwise provided in this Article, the terms of Sections 8.01-577 and 8.01-581.01 et seq. of the Code of Virginia (1950), as amended, shall apply to the proceedings under this subsection.

Section 17.4 Location. The alternative dispute resolution proceeding shall be held in Loudoun County, Virginia unless otherwise mutually agreed by the parties.

Section 17.5 Sole Remedy; Waiver of Judicial Rights. The Declarant, the Association, and each Owner of a Lot expressly consent to the procedures established in this Article as their sole and exclusive remedy, and expressly waive any right they may have to seek resolution of any dispute contemplated by this Article in any court of law or equity, and any right to trial by judge or jury; provided, however, that any party may pursue judicial adjudication of a decision of the Board of Directors: (i) suspending party's right to use a portion of the Common Area

pursuant to Subsection 12.1(g); (ii) imposing a charge pursuant to Subsection 12.1(h); or (iii) a judicial grant of injunctive relief obtained pursuant to Subsection 12.1(f). The provisions of this Article shall not reduce or delay the Association's rights to levy a late charge, collect interest or file and pursue a lien as provided in Articles 5, 6 and 12 with respect to any Assessment or other charges due from an Owner hereunder. If a dispute involves the Declarant or the Association, no Person shall file a memorandum of lis pendens or similar instrument that would encumber or create a lien upon the real estate owned either by the Declarant or the Association.

Section 17.6 Disputes Requiring Emergency Relief. If a dispute requires immediate, emergency relief such as would be available through judicial injunctive relief, then either party to the dispute may seek such relief as a temporary resolution pending the opportunity to conduct other procedures under this Article.

ARTICLE 18

REQUIRED DISCLOSURES

Section 18.1 Disclosures. Pursuant to the Proffers, all Owners are hereby advised of the following:

(a) Trail Maintenance. The Association shall be responsible for the Upkeep of all Trails constructed on the Property. The cost of such Upkeep will be charged to the Owners as a Common Expense. In the event, however, that the Town establishes a trail network under the control and maintenance of a Town parks and recreation or public works department, the Trails shall be conveyed, without further consideration, upon the request by the Town Counsel, to the Town or designated agency at which time the Association's obligation to maintain the Trails shall terminate.

(b) Alleys, Private Access Easements and Parking Areas. Alleys, private access easements and parking areas not located within a Lot shall be conveyed to the Association. The Association shall be responsible for the Upkeep of said alleys, easements and areas.

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

LOVETTSVILLE DEVELOPMENT PARTNERS, LLC,
a Virginia limited liability company

By: AML Development Corporation, a Virginia corporation, its Managing Member

By: *[Signature]* (SEAL)
Gary C. Hill, President

NVR, INC., a Virginia corporation

By: *[Signature]* (SEAL)
Name: JAMES M. ALL
Title: VICE PRESIDENT AND GENERAL COUNSEL

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, a Virginia non-stock corporation

By: *[Signature]* (SEAL)
Name: GARY C. HILL
Title: PRESIDENT

STATE OF MARYLAND)
) SS:
COUNTY OF MONTGOMERY

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Gary C. Hill, as President of AML Development Corporation, Managing Member of LOVETTSVILLE DEVELOPMENT PARTNERS, LLC, whose name is signed to the foregoing instrument, has acknowledged the same before me in the aforesaid jurisdiction as the act and deed of the company.

GIVEN under my hand and seal on September 27, 2004.

Kathleen P. Egan [SEAL]
Notary Public

My commission expires: 5/5/08

Commonwealth OF Virginia)
County OF Fairfax) SS:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that James M. Swell, as Vice President of NVR, INC., whose name is signed to the foregoing instrument, has acknowledged the same before me in the aforesaid jurisdiction as a duly authorized officer of the corporation.

GIVEN under my hand and seal on September 27, 2004.

Joel K. Smith [SEAL]
Notary Public

My commission expires: 12/31/07

JOEL K. SMITH
NOTARY PUBLIC COMMONWEALTH OF VIRGINIA
My Commission Expires December 31, 2007

Instr: 20041007-0108758
Page: 71 OF 77

STATE OF MARYLAND)
) SS:
COUNTY OF MONTGOMERY)

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Gary C. Hill, as President of NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, whose name is signed to the foregoing instrument, has acknowledged the same before me in the aforesaid jurisdiction as a duly authorized officer of the corporation.

GIVEN under my hand and seal on September 27, 2004.

Katharine P. Epperson [SEAL]
Notary Public

My commission expires: 5/5/08

CONSENT OF TRUSTEES
TO DECLARATION FOR
NEW TOWN MEADOWS

The undersigned as beneficiary ("Mortgagee") under a certain Deed of Trust, dated August 16, 2002 and recorded among the land records of Loudoun County, Virginia ("Land Records") in Deed Book 2242, at Page 1721 ("Mortgage"), hereby consents to: 1) the execution and recordation of the foregoing Declaration for New Town Meadows ("Declaration"); 2) the submission of the real estate described in Exhibits A and B thereto to the Declaration; and 3) the subordination of the Mortgage to the Declaration, and for such purposes hereby directs the trustees under the Mortgage to join in the execution and delivery of the Declaration.

IN WITNESS WHEREOF, the undersigned Mortgagee has caused this Consent of Mortgagee to be executed pursuant to due and proper authority as of Sept. 27, 2004.

MORTGAGEE:

NVR, INC., a Virginia corporation

By: [Signature]
Name: JAMES M. SNAK
Title: VICE PRESIDENT AND GENERAL COUNSEL

Snak OF Virginia)
CITY/COUNTY OF Fairfax) SS:

I the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that JAMES M. SNAK, as VICE PRESIDENT of NVR, INC., whose name is signed to the foregoing Consent of Trustees has acknowledged the same before me in the aforesaid jurisdiction as an authorized officer of the corporation.

GIVEN under my hand and seal on September 27, 2004.

My commission expires: 12/31/07
[Signature] [SEAL]
Notary Public

JOEL K. SMITH
NOTARY PUBLIC COMMONWEALTH OF VIRGINIA
My Commission Expires December 31, 2007

The undersigned Trustees, either of whom may act, at the request of the Mortgagee as evidenced above, join in, without liability or obligation for the sole purpose of subordinating the lien of the Mortgage to the Declaration.

[Signature] [SEAL]
JAMES S. SACK, Trustee

_____[SEAL]
RAINER ALTMANN, Trustee

State OF Virginia)
COUNTY/CITY OF Fairfax) SS:

The undersigned, a Notary Public in and for the jurisdiction aforesaid, does hereby certify that JAMES M. SACK personally appeared before me in the aforesaid jurisdiction, being personally well known to me as the person who executed the foregoing Consent of Trustees, dated September 27, 2004 and acknowledged such Consent of Trustees to be his/her act and deed, as Trustee.

Given under my hand and official seal on September 27, 2004.

[Signature] [SEAL]
Notary Public

My commission expires: 12/31/07

JOEL K. SMITH
NOTARY PUBLIC COMMONWEALTH OF VIRGINIA
My Commission Expires December 31, 2007

_____) OF _____)
COUNTY/CITY OF _____) SS:

The undersigned, a Notary Public in and for the jurisdiction aforesaid, does hereby certify that RAINER ALTMANN personally appeared before me in the aforesaid jurisdiction, being personally well known to me as the person who executed the foregoing Consent of Trustees, dated _____, 2004, and acknowledged such Consent of Trustees to be his/her act and deed, as Trustee.

Given under my hand and official seal on _____, 2004.

_____[SEAL]
Notary Public

My commission expires: _____

CONSENT OF TRUSTEES
TO DECLARATION FOR

NEW TOWN MEADOWS

The undersigned as beneficiary ("Mortgagee") under a certain Consolidated, Amended and Restated Deed of Trust, dated March 9, 2004 and recorded among the land records of Loudoun County, Virginia ("Land Records") at Instrument Number 20040310-0021606 ("Mortgage"), hereby consents to: 1) the execution and recordation of the foregoing Declaration for New Town Meadows ("Declaration"); 2) the submission of the real estate described in Exhibits A and B thereto to the Declaration; and 3) the subordination of the Mortgage to the Declaration, and for such purposes hereby directs the trustees under the Mortgage to join in the execution and delivery of the Declaration.

IN WITNESS WHEREOF, the undersigned Mortgagee has caused this Consent of Mortgagee to be executed pursuant to due and proper authority as of September 27, 2004.

MORTGAGEE:

SOUTHERN SECURITY FINANCIAL LLC

By: Norris E. Mitchell
Name: NORRIS E. MITCHELL
Title: MANAGING MEMBER

State OF Virginia)
CITY/COUNTY OF Fairfax) SS:

I the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Norris E. Mitchell, Managing Member of SOUTHERN SECURITY FINANCIAL LLC, whose name is signed to the foregoing Consent of Trustees has acknowledged the same before me in the aforesaid jurisdiction as an authorized officer of the corporation.

GIVEN under my hand and seal on 27 September, 2004.

Angela L. Tynes [SEAL]
Notary Public Angela L. Tynes

My commission expires: 10/31/04



Inst#: 20041007-0108758
Page: 76 OF 77

EXHIBIT A

[Description of Submitted Land]

Phase 1

Lots 1 through 61, inclusive, and Parcels A, B, C, D and E, NEW TOWN MEADOWS, Phase 1, as the same appear duly platted, subdivided and recorded at Instrument number 20041007- among the land records of Loudoun County, Virginia.
0108756



Instr: 20041007-0108759
Page: 77 OF 77

EXHIBIT B

[Description of Additional Land]

Phase 2A

Lots 62 through 91, inclusive, and Parcels F and G, NEW TOWN MEADOWS, Phase 2A, as the same appear duly platted, subdivided and recorded at Instrument number _____ among the land records of Loudoun County, Virginia.

TOGETHER WITH,

Phase 2B

Lots 93 through 153, inclusive, and Parcels H and I, NEW TOWN MEADOWS, Phase 2B, as the same appear duly platted, subdivided and recorded at Instrument number _____ among the land records of Loudoun County, Virginia.

TOGETHER WITH,

That certain parcel of land owned by the Town of Lovettsville, Virginia and known as Loudoun County Tax Map 9-88-1 consisting of 6.87223 acres.

RECORDATION COVER SHEET

TYPE OF INSTRUMENT: DEED OF DEDICATION AND EASEMENT

DATE OF INSTRUMENT: October 19, 2010.

NAMES OF GRANTOR: TOWN OF LOVETTSVILLE, VIRGINIA

NAMES OF GRANTEES: 1) TOWN OF LOVETTSVILLE, VIRGINIA
2) NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION

COUNTY WHERE PROPERTY LOCATED: LOUDOUN

ELECTION DISTRICT WHERE PROPERTY LOCATED: CATOCTIN

BRIEF DESCRIPTION OF PROPERTY: NEW TOWN MEADOWS, LANGE PLACE

DEED BOOK AND PAGE NUMBER WHERE PROPERTY ACQUIRED: INSTRUMENT #20050228-0021069

PLAT ATTACHED: PLAT NO. 1823-C-RP-005 PREPARED BY BOWMAN CONSULTING GROUP

PIN NO.: 333-46-2504-00

NOTE: THIS INSTRUMENT IS EXEMPT FROM RECORDATION TAXES PURSUANT TO VA. CODE SECTION 58.1-811 A.3 and C.4.

THIS INSTRUMENT PREPARED BY AND

RETURN TO: ELIZABETH D. WHITING, TOWN ATTORNEY
241 EDWARDS FERRY ROAD N.E.
LEESBURG, VA 20176

THIS DEED OF DEDICATION AND EASEMENT, (the "Deed") is made this 19 day of October, 2010, by and between the TOWN OF LOVETTSVILLE, VIRGINIA, a municipal corporation (hereinafter referred to as "Town", as "Grantor"); and the TOWN OF LOVETTSVILLE, VIRGINIA, a municipal corporation (hereinafter also referred to as "Town", as "Grantee"); and the NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, a Virginia nonstock corporation/an association formed pursuant to the Virginia Property Owners Association Act (hereinafter referred to as the "Association").

W I T N E S S E T H :

WHEREAS, the Town is the owner and proprietor of certain real property (the "Property") as shown on plat number 1823 C-RP 005, dated September 23, 2003, and revised through January 25, 2010, entitled "DEDICATION PLAT LANGE PLACE NEW TOWN MEADOWS," and prepared by Bowman Consulting Group of Leesburg, Virginia, certified land surveyors (the "Plat") which Plat is attached hereto; and

WHEREAS, the Property is situate in the Town of Lovettsville, Loudoun County, Virginia, the Town having acquired the Property by deed recorded as Instrument No. 20050228-0021069 among the land records of Loudoun County, Virginia and the Property brought within the jurisdiction of the Town by a certain boundary line adjustment with the County of Loudoun by final order entered in the case styled "In Re: Change of Boundary Between the Town of Lovettsville, Virginia and Loudoun County, Virginia", Civil Action No. CL 43628 on December 22, 2006, and recorded as Instrument No. 20070104-0000612; and

WHEREAS, it is the desire and intent of Town to dedicate, grant, and convey for public use, the street shown as Lange Place in accordance with this Deed and the Plat; and

WHEREAS, it is the desire and intent of Town to dedicate the sight distance easement and to dedicate, grant and convey unto the Association, the storm drainage easement in the locations as shown on the Plat and as hereinafter provided; and

WHEREAS, the Property is not subject to the lien of any deed of trust.

STREET DEDICATION

NOW, THEREFORE, in consideration of the premises and the sum of One Dollar (\$1.00) cash in hand paid, receipt of which is hereby acknowledged, the Town does hereby dedicate and does hereby accept, in fee simple, for public road purposes that portion of the aforementioned parcel of land situate, lying and being in the Town of Lovettsville, as set forth above, and more particularly shown and described as "Lange Place" on the Plat, which Plat is attached hereto and incorporated herein. This dedication is made in accordance with the statutes made and provided therefor.

SIGHT DISTANCE EASEMENT

THIS DEED FURTHER WITNESSETH that in consideration of the premises and the sum of One Dollar (\$1.00), cash in hand paid, receipt of which is hereby acknowledged, Town, as Grantor, does hereby dedicate, grant and convey and does hereby accept as Grantee, for itself, its successors and assigns, a sight distance easement, as more particularly bounded and described on the Plat, for the purpose of preventing obstructions to vehicular sight in conformance with Virginia Department of Transportation ("VDOT") standards. The Town, its successors and assigns, shall not place or permit on the Property fences, shrubbery, structures, or other facilities or vegetation ("improvements") within the bounds of said easement unless such improvements shall not obstruct vehicular sight from any direction. A VDOT review will be required for any plantings or improvements within said easement. The right to enter and remove any obstructions for the purpose of maintaining clear sight distance within such easement is hereby granted to VDOT.

STORM DRAINAGE AND STORM WATER MANAGEMENT EASEMENTS

THIS DEED FURTHER WITNESSETH that in consideration of the premises and the sum of One Dollar (\$1.00), cash in hand paid, receipt of which is hereby acknowledged, the Town, as Grantor, does hereby dedicate, grant and convey and does hereby accept as Grantee, for itself, its successors and assigns and to the Association, as Grantee, an easement for the purpose of constructing, operating, maintaining, adding to, altering or replacing present or future storm drainage and

storm water management facilities, storm drainage lines, storm sewer lines, or other drainage structures, including building connection lines, plus all necessary inlet structures, manholes, and appurtenances for the collection of storm waters and its transmission through and across the said property of Town, said easements being more particularly bounded and described on the Plat.

The foregoing easements are subject to the following conditions where applicable:

1. All sewers, manholes, inlet structures, and appurtenant facilities which are installed in the easements shall be and remain the property of the Town, its successors and assigns.

2. The Association and its agents shall have full and free use of said easements for the purposes named, and shall have all rights and privileges reasonably necessary to the exercise of the easements including the right of access to and from the easements and right to use adjoining land where necessary; provided, however, that this right to use adjoining land shall be exercised only during periods of actual construction or maintenance, and further, this right shall not be construed to allow the Association to erect any building or structure of a permanent nature on such adjoining land.

3. The Association shall have the right to trim, cut, and remove trees, shrubbery, fences, structures, or other obstructions or facilities in or near the easements being conveyed, deemed by it to interfere with the proper and efficient construction, operation, and maintenance of said easements; provided, however, that the Association, at its own expense, shall restore, as nearly as possible, the premises to their original condition. Such restoration shall include the backfilling of trenches, the replacement of fences and shrubbery, the reseeding or resodding of lawns or pasture areas, and the replacement of structures and other facilities located without the easements, but shall not include the replacement of structures, trees, or other facilities located within the easements.

4. The Town reserves the right to construct and maintain roadways over said easements to the extent not prohibited or restricted by ordinance and to make any use of the easements herein granted which may not be inconsistent with the rights herein conveyed or interfere with the use of said easements for the purposes named; provided, however, that the Town shall not erect any building or other structure, excepting a fence, on the easements without obtaining the prior written approval of the Association.

5. The Association shall be responsible for maintenance of storm drainage and storm water management facilities located within the easements conveyed hereby. If the Association shall fail to maintain said easements and facilities, the Town and its agents shall have the right, but not the obligation, to enter on the Property to perform such repairs and maintenance to the storm drainage facilities as the Town may deem necessary. The cost of such repairs and maintenance shall be reimbursed to the Town by the Association, its successors and assigns, upon demand. Notwithstanding the foregoing, at such time as the Town, through a department of public works, or some similar agency, by some clear and unequivocal act such as the recordation of a document among the land records of Loudoun County, Virginia, elects to maintain the storm drainage facilities contained within the easements, or elects to maintain all such easements within the watershed where such easements are located, the maintenance obligations identified in this paragraph shall cease and terminate.

MISCELLANEOUS

Headings used in this Deed are for convenience purposes only and are not intended to affect the express terms herein set forth.

This Deed is made in accordance with the statutes made and provided in such cases; with the approval of the proper authorities of the Town of Lovettsville, Virginia, as shown by the signatures affixed to the Plat, and is with the free consent and in accordance with the desire of the Town, the owner and proprietor of the land depicted on the Plat, and the Association, as aforesaid.

The Association unites herein to indicate and confirm its acceptance of all of the maintenance and other obligations assigned to or assumed by the Association under this Deed.

IN WITNESS WHEREOF, the parties hereto have caused this Deed to be executed, under seal.

FURTHER WITNESS the following signatures and seals.

APPROVED AS TO LEGAL FORM:

EXECUTED AND ACCEPTED ON BEHALF OF
THE TOWN OF LOVETTSVILLE, VIRGINIA

Elizabeth D. Whiting
Town Attorney

By: _____(SEAL)
Elaine Walker, Mayor

COMMONWEALTH OF VIRGINIA
COUNTY OF LOUDOUN, to wit:

I, the undersigned Notary Public, in and for the jurisdiction aforesaid, do hereby certify that Elaine Walker, Mayor of the Town of Lovettsville, Virginia, whose name is signed to the foregoing Deed, appeared before me and personally acknowledged the same in my jurisdiction aforesaid.

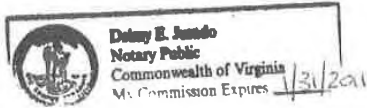
GIVEN under my hand and seal this 19 day of October, 2010.

My commission expires:

1/31/2011

Delmy E. Jurado
Notary Public

NEW TOWN MEADOWS HOMEOWNERS
ASSOCIATION



By: Alfred Horton (SEAL)
Name: Alfred Horton
Title: Pres. Newtown Meadows HOA

COMMONWEALTH OF VIRGINIA
COUNTY OF LOUDOUN, to wit:

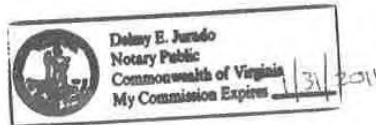
I, the undersigned Notary Public, in and for the jurisdiction aforesaid, do hereby certify that Alfred Horton as President of the New Town Meadows Homeowners Association, whose name is signed to the foregoing Deed, appeared before me and personally acknowledged the same in my jurisdiction aforesaid.

GIVEN under my hand and seal this 19 day of October, 2010.

My commission expires:

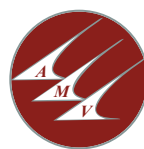
1/31/2011

Delmy E. Jurado
Notary Public



New Town Meadows HOA

Approved Resolutions



AMERICAN MANAGEMENT

OF VIRGINIA

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
REGULATORY RESOLUTION NO. 01-01

ASSESSMENT COLLECTION POLICY

WHEREAS, Article 4, Section 4.1 of the Bylaws for New Town Meadows Homeowners Association, Inc. (“Association”) states that the business and affairs of the Association shall be managed by the Board of Directors (“Board”);

WHEREAS, Article 6 of the Declaration For New Town Meadows (“Declaration”) empowers the Board with the authority to make assessments against the Owners to defray the Common Expenses of the Association, establish the means and methods of collecting such assessments from the Owners and establish the period of installment payments of the annual assessment;

WHEREAS, Section 55-513 of the Virginia Property Owners' Association Act (“Act”), Article 3, Section 3.8 and Article 12, Section 12.1 of the Declaration empowers the Association to adopt rules, assess charges and suspend voting and use rights and services for violation of the Association Documents and rules and regulations;

WHEREAS, Article 6, Section 6.1 of the Declaration empowers the Board of Directors to establish the due dates of assessments; and

WHEREAS, Article 6 Section 6.5, of the Declaration empowers the Board of Directors with the authority to establish a late fee in the amount of twenty five dollars (\$25.00), or such amount as established by the Board, if any assessment is not paid within ten (10) days of the due date; and

WHEREAS, Article 12, Section 12.2(b), of the Declaration empowers the Board of Directors with the authority to accelerate the required payment date of the entire remaining annual assessment upon the default of an Owner in the timely payment of any two consecutive; and

WHEREAS, there is a need to establish orderly procedures for the billing and collection of assessments and charges.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the Board of Directors hereby adopts the following assessment procedures:

I. ROUTINE COLLECTIONS

A. All installments of the annual assessment shall be due and payable in advance on the first day of each month of the fiscal year; all special assessments shall be due and payable unless otherwise determined by the Board on the first day of the next

month after delivery to the lot owner of notice of a special assessment, provided that at least ten (10) days notice is provided ("Due Date").

B. All documents, correspondence, and notices relating to assessments or charges shall be mailed or delivered to the address which appears on the books of the Association or to such other address as is designated **in writing** by an owner.

C. Non-receipt of an invoice shall in no way relieve the owner of the obligation to pay the amount due by the due date.

D. Charges assessed pursuant to the Association Documents and Section 55-513 of the Virginia Property Owners' Association Act shall be collected in the same manner as an assessment or in such other manner as shall be determined by the Board of Directors.

II. REMEDIES FOR NONPAYMENT OF ASSESSMENT

A. **Late Fees and Interest.** If payment of the total assessments or charges due, including special assessments, charges for violations of the Association Documents or Rules and Regulations, and returned check charges, are not received by the Association by the **tenth (10th)** day of the month, the account shall be deemed late, a **late fee of Twenty Five dollars (\$25.00)**, or such other amount as determined by the Board of Directors, shall automatically be added to the amount due and shall be a part of the continuing lien and personal obligation for assessments, as provided for in the Declaration and the Virginia Property Owners' Association Act, until all sums due and owing shall have been paid in full.

B. **Returned Checks.** If a check is returned and an assessment or charge due and owing is not otherwise received in the applicable time period, as provided in Paragraph II. A. above, the account shall be deemed late, a late fee and interest shall be added, in addition to the amount currently charged to the Association as a returned check charge (currently \$35.00), if applicable. If the Association receives from any owner, in any accounting year, two or more checks returned for insufficient funds for payment of assessments or other charges, the Board may require all future payments to be made by certified check, cashier's check, or money order for the remainder of the fiscal year.

C. **Late Notice.** A "Late Notice" shall be sent by the Association to owners who have not paid assessments or charges, in full, by the thirtieth (30th) day after the due date. The late notice may warn the owner that the account will be accelerated and may be sent to legal counsel for legal proceedings. Non-receipt of such notice does not relieve the owner of his financial obligation to pay the costs of collection accrued by the Association for the collection of the delinquent debt, including, but not limited to, interest, costs and attorneys' fees.

D. **Acceleration.** If a lot owner fails to fully pay two consecutive assessment installments in a timely manner, then the remaining balance of the annual or special assessment for the entire fiscal year shall be immediately due and payable in full.

E. **Legal Referral.** If payment in full, of any assessment, charge or returned check charges, is not received by the Association by the sixtieth (60th) day after the due date, the account shall be referred to counsel for the Association and a demand letter shall be sent stating that if payment in full is not received within ten (10) days, the remaining unpaid balance of the annual or special assessment will be accelerated through the end of the fiscal year and a lien filed against the owner's lot.

F. **Lien.** If payment in full of the amounts due is not received by counsel or the managing agent within thirty (30) days after the demand letter has been sent, an accelerated memorandum of lien may be filed. Non-receipt of a notice shall not prevent the Association from filing a lien within the statutory deadline. Reasonable attorneys' fees and the costs of collection, including administrative fees, the costs of postage and filing and releasing the memorandum of lien, or other legal action, shall be added to the account and the delinquent lot owner shall be personally liable for those costs, interest, and attorneys' fees.

G. **Civil Suit.** If payment in full, of all amounts due, is not received by counsel or the Association by the one hundredth twentieth (120th) day after a due date, a civil suit for the accelerated annual or special assessment may be filed personally against the delinquent lot owners.

H. **Further Legal Action.** If an account remains delinquent after the filing of a lien or civil suit, counsel for the Association shall take all other appropriate legal action to collect the amounts due, including, but not limited to, garnishment of accounts and/or wages, levying of property, and levying of rental income, and except as provided in Paragraph G or unless directed otherwise by the Board of Directors of the Association.

I. **Foreclosure.** If a lien remains unpaid, the Board of Directors may authorize counsel for the Association to proceed with enforcing the lien by filing a suit to foreclose on the lot within three (3) years of the date the lien is recorded or to sell the lot at public sale at any time after perfecting the lien.

J. **Board Waiver.** The Board may grant a waiver of any provision herein, except filing of memoranda of liens beyond the statutory deadline, upon petition, in writing, by an owner alleging a personal hardship. If, in the unlikely event, an approved payment plan extends for more than twelve months, then the lot owner shall be required, as a condition of the payment plan, to sign a Promissory Note provided by legal counsel. In addition, notwithstanding the existence of an approved payment plan or a signed Promissory Note, as long as the account remains delinquent, the Association shall protect its interests by filing Memoranda of Liens against the Lot to secure the unpaid assessments in accordance with the Act.

K. **Agent/Counsel Waiver.** The Board hereby authorizes counsel or the managing agent to waive the imposition of late fees on payments received by counsel or the managing agent after the thirtieth (30th) day of the assessment period, if, in the judgment of counsel or the managing agent, the delinquent owner has owned the lot for less than three (3) months at the time of the delinquency and counsel or the managing agent determines the delinquency was the result of a misunderstanding of the correct procedures relative to payment of the assessment. Further, such a waiver may be granted only once to any delinquent lot owner and will be documented in writing in the lot owner's file.

L. **Application of Payments.** Payments received from a lot owner shall be credited to currently outstanding amounts and the amount owed for each category below shall be paid in full before payment is applied to the next category in the following order:

1. Charges for attorneys' fees and court costs.
2. All returned check charges, postage, or costs.
3. Other charges (rule violations, damages, etc.)
4. Late fees and interest.
5. The annual and special Association assessments for each lot, applied first to the oldest amount due.

N. **Suspension of Voting Rights and Use of Facilities and Services.** An owner's voting rights shall be automatically suspended for any period during which any assessment remains unpaid for more than sixty (60) days. An owner whose account remains delinquent for more than sixty (60) days may also have his or her right to use the facilities and services of the Association suspended for the duration of the delinquency, after notice and opportunity for a hearing pursuant to Section 55-513 of the Act. The notice required under the Act shall advise the owner that he or she may contest the suspension by requesting a hearing before the Board within ten (10) days of the date of the letter. If a hearing is timely requested regarding suspension, the Association shall hand-deliver or mail, by certified mail (return-receipt requested), a notice to the owner at least fourteen (14) days in advance of the hearing date stating the sanctions that may be imposed and the time, date and place of the hearing. The remedies stated herein shall not constitute an election of remedies and all remedies shall be deemed cumulative.

This resolution shall become effective on **February 19, 2008.**

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
POLICY RESOLUTION NO. 02-01

Procedures and Standards Relating to Yard and Lawn Maintenance

WHEREAS, the Virginia Property Owners' Association Act, Virginia Code Section 55-513.A. ("Act"), Article 2, Section 2.3 and Article 8, Section 8.3 of the Declaration for The Moorlands ("Declaration"), and Article 4, Section 4.1 of the Bylaws for New Town Meadows Homeowners Association, Inc. ("Bylaws") grant the authority to the Board of Directors to establish, adopt, publish and enforce rules and regulations pertaining to the use of and access to the Common Area and any facilities thereon, and the personal conduct of Members and their guests thereon; and

WHEREAS, Section 55-515 of the Act and Article 12 of the Declaration requires all lot owners ("lot owners" or "members") to comply with the provisions of the Declaration and provides the Association with the right to enforce all restrictions, conditions, covenants, reservations, rules, regulations, liens and charges imposed by the provisions of the Declaration; and

WHEREAS, Article 3, Section 3.3 of the Declaration authorizes the Board, the managing agent, and any other Persons authorized by the Board of Directors, the right of access over and through any portion of the Property in the exercise and discharge of their respective powers and responsibilities, including, without limitation, to make inspections, correct any condition originating in a Lot threatening another Lot or the Common Area, or correct any condition which violates the Association Documents; and further provides that each Owner shall be liable to the Association for the cost of all Upkeep performed by the Association and rendered necessary by any act, neglect, carelessness or failure to comply with the Association Documents; and

WHEREAS, Article 12, Section 12.1(e) and Article 7, Section 7.2 of the Declaration provides that the violation of any of the Rules and Regulations or the breach of any other provision of the Association Documents, including the Owners' maintenance and upkeep responsibilities, shall give the Board of Directors the right to enter the portion of the Property on which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Association Documents or the Rules and Regulations, and the Board shall not thereby be deemed guilty of trespass; and

WHEREAS, Section 55-513.B. of the Act provides that the Board of Directors shall have the power to assess charges against members for any violation of the Declaration, Bylaws and/or Rules and Regulations, and that certain procedures must be followed before suspensions or charges rules violations may be assessed; and

WHEREAS, Article 12, Section 12.1(h) of the Declaration authorizes the Board of Directors to assess charges for the violation of the Association's Declaration and Rules and Regulations, upon notice and an opportunity for a hearing; and

WHEREAS, for the benefit and protection of all owners, the Board deems it desirable to formally adopt a policy resolution to ensure that all lot owners maintain their yards and lawns in a neat and orderly condition.

NOW, THEREFORE, BE IT RESOLVED THAT:

I. **Standards for Lawns and Yards**

A. **Lawn & Grass.**

Owners and residents shall ensure that any grass lawns on their Lots, including in the back of the residence, are regularly mowed so as to keep a neat appearance of the lawn and Lot. Grass height shall not exceed 6 inches. Driveways and sidewalks shall be swept clear of grass clippings. Owners and residents are responsible for maintaining the health and good appearance of lawns on their Lots, which may include seeding, watering, weed removal and edging and other tasks, as required to properly maintain lawns.

B. Weeding & Pruning.

Owners shall keep their properties free of weeds, leaves and overgrown or unsightly shrubbery or other plant growth. Owners shall undertake any weeding and mulching of planted beds, removal of leaves from lawns and planted beds, and pruning and shaping of shrubbery and trees which is necessary so as to keep a proper, neat and clean appearance of the Lot. Pruning of trees includes the removal of suckers and below lateral growth from ornamental trees, however, no trees with a diameter of more than four inches and measuring two feet above ground level shall be removed without the express written authorization of the Covenants Committee or Board of Directors. Owners and residents shall remove any and all dead plants and shrubs from their Lots.

C. Trash & Refuse.

Owners and residents shall maintain their Lots to be free from all litter, trash, debris or other objects. It is the responsibility of the Owner or Resident to ascertain the trash collection requirements for any item they wish to discard, including used appliances and other items which require special pick-up or removal, and to ensure that such item is promptly collected by the appropriate trash collection service.

D. Neat Appearance.

No unsightly conditions shall be permitted to be maintained upon the Lot. The Covenants Committee and/or Board of Directors shall use its sole discretion in determining said conditions.

II. Enforcement.

A. Warning Notices.

First Notice. The Covenants Committee or other agent of the Association shall notify the Owner of any condition on the Lot which constitutes a violation of the standards set forth herein by mailing, hand-delivering to the Lot or posting upon the door of the Lot residence a Warning Notice, requiring compliance within seven days. (If the Owner does not occupy the Lot, the Association shall mail the Notice to the address of the Lot Owner as listed in the Association's records.) The Warning Notice shall describe the violating condition and state that if the Owner fails to correct the violation within seven days, the Association may correct the condition at the expense of the Owner, and the Owner shall be assessed the costs of performing the corrective work (i.e., mowing of the lawn, removal of weeds or offending shrubbery, etc.). The Notice shall further state that the Owner may be assessed additional charges as may be allowed by law (including violation charges authorized by the Act, which are currently \$50 per violation or \$10 per day for violations of a continuing nature).

Final Notice on Door. If the Association plans to undertake corrective action on the Lot, a notice stating the action to be taken shall be placed on the front door of the Lot at least one day prior to the day corrective action is scheduled to be taken.

B. Hearing (Upon Request).

The First Warning Notice shall advise Lot Owners that they are entitled to a hearing regarding the violation. Owners who desire a hearing shall, within six (6) days of receipt of the First Warning Notice, submit a written request for a hearing to the management office of the Association. Upon receipt of a request for a hearing, the Board of Directors or Covenants Committee shall set a hearing date and send the Owner a Notice of Hearing not less than fourteen (14) days from the date of the hearing, by hand-delivery or certified mail, return receipt requested. Hearings regarding compliance with this Resolution shall be held in accordance with the Association's usual procedures regarding hearings and shall be conducted to ensure that the Owner has an opportunity to be heard regarding any assessment of charges, corrective action to be taken or alleged violation of this Resolution. Owners may be represented by counsel at the hearing.

C. Corrective Action.

If the Lot Owner does not cure the violation as requested in the First Warning Notice by the deadline set forth therein or if the Lot Owner does not properly request a hearing in writing prior to said deadline, the Association (or its authorized agents or contractors) may enter the Lot and cure the violation at the expense of the Lot Owner. The Lot Owner shall be assessed all the costs of any corrective action and may be assessed additional charges in the amounts permitted under the Act, as amended.

D. Photographs.

Prior to the Association correcting the condition, the management staff, or other authorized person, may take pictures of the violating condition for the Lot's Owner's file.

E. Other Actions.

This Resolution shall not be construed to prevent the Association from immediately abating violations on Lots when the condition on the Lot constitutes an emergency and requires immediate action. An emergency shall include, but not be limited to, any condition on a Lot which threatens the health or safety of any person, any Lot or the Common Area.

The effective date of this Resolution shall be February 19, 2008.

**NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
RESOLUTION ACTION RECORD
POLICY RESOLUTION No. 02-01**

**PROCEDURES AND STANDARDS RELATED TO
LAWN AND YARD MAINTENANCE**

Resolution Type: Policy No. 02-01

Pertaining to: Procedures and Standards for Lawn and Yard Maintenance

Duly adopted at a meeting of the Board of Directors held February 19, 2008.

Motion by: Gary Hill Seconded by: MelissaJarrell

	VOTE:			
	YES	NO	ABSTAIN	ABSENT
<u>/s/ Tracy Plazyk</u> Director	•	—	—	—
<u>/s/ Melissa Jarrell</u> Director	•	—	—	—
<u>/s/ Gary Hill</u> Director	•	—	—	—
<u>/s/ Kathy Wilt</u> Director	•	—	—	—
<u>(vacant)</u> Director	—	—	—	—

ATTEST:

/s/ Melissa Jarrell
Secretary

02/19/08
Date

**NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
REGULATORY RESOLUTION NO. 03-01**

HOME BUSINESS POLICY

WHEREAS, Article 4, Section 4.1 of the Bylaws for New Town Meadows Homeowners Association, Inc. (“Association”) states that the business and affairs of the Association shall be managed by the Board of Directors (“Board”);

WHEREAS, Article 8, Section 8.1 of the Declaration provides that no Lot shall be used for other than residential, recreational or related purposes which are permissible under local zoning ordinances without the prior written approval of the Board of Directors;

WHEREAS, Article 8, Section 8.2(u) of the Declaration for New Town Meadows (“Declaration”) empowers the Board with the authority to approve the use of a Lot for a home office or home business, under specific rules contained therein;

WHEREAS, Section 55-513 of the Virginia Property Owners' Association Act (“Act”), and Article 12, Section 12.1 of the Declaration empowers the Association to adopt and enforce reasonable rules and regulations;

WHEREAS, pursuant to Article 8, Section 8.1 of the Declaration, approval of the use of any Lot, for a purpose other than residential, recreational or related purposes, may be conditioned or withheld at the Board’s discretion ; and

WHEREAS, Article 8 Section 8.2(u), of the Declaration authorizes the Board to require the Owner of an approved home office or home business to pay any increase in the rate of the insurance, trash removal, utilities or other costs for the Association or other Owners which may result from such use; and

WHEREAS, Article 12, Section 12.1(h), of the Declaration authorizes the Board to impose charges in the case of an Owner found by the Board to be responsible for a violation of the Association Documents or the Rules and Regulations; and

WHEREAS, there is a need to establish orderly rules and regulations governing home offices and home businesses.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the Board of Directors hereby adopts the following rules and regulations:

I. GENERAL

A. All residents of New Town Meadows desiring to engage in a Home Business, shall submit an application to the Association. Applications may be obtained by contacting the Association’s managing agent.

B. The Board of Directors will review all Home Business applications on a case-by-case basis.

C. All home businesses approved by the Board of Directors are subject to periodic review for compliance with the policies contained herein, as well as the Association's governing documents, rules and regulations, and any stipulations imposed by the Board of Directors.

D. Non-compliance with this policy, the Association's governing documents or rules and regulations, or Board of Directors imposed stipulations, deviation from the approved home business application, or validated complaints may result in immediate revocation of the Board of Director's approval to operate the home business.

E. The rights of Members to use and enjoy their property for typical residential activities must not be infringed upon by the operation of any home business. To ensure these rights, a residence housing a home business must, at a minimum, be indistinguishable from other homes of same design that are used only for residential use.

F. The specific points developed herein are not intended to cover all conceivable home businesses. Each application is reviewed on a case by case basis, taking all facts and factors into consideration. Recognizing this, property owners should not assume that their particular home business will automatically be approved because they feel it conforms to this policy.

G. Home businesses shall be conducted in compliance with all current and future Town, County, State, and other lawful regulations. All applicable permits and licenses must be obtained by the home business applicant(s) prior to conducting any business transactions; a copy of such permits and licenses must be provided to the Association.

H. All home businesses in operation without Board of Directors approval are in violation, and subject to enforcement, until such time as approval, if any, is granted through these procedures.

I. These policies have been adopted in consideration of the following major areas of concern: (1) residential character of New Town Meadows; (2) traffic volume and type; (3) parking related issues; (4) pedestrian safety; (5) "customer" traffic; (6) vehicles used in conjunction with the home business; (7) signage; (8) noise; (9) business hours; (10) employees, type and number; (11) impact on Association services; and (12) environmental pollution and safety.

J. New Town Meadows Homeowners Association Covenants and Restrictions and this policy are not intended to, nor do they, abrogate the authority of any legally binding law, ordinance, rule or regulation.

II. GENERAL CONSIDERATIONS

Although each application is reviewed on a case by case basis, typically acceptable home businesses include the following:

- A. Professional offices
- B. Business or trade offices for mail order items such as Avon or Mary Kay, where samples may be maintained but stock for distribution and sale to customers may not be stored on the premises.
- C. Photography, arts and crafts activities.
- D. Seamstress and tailoring activities.
- E. Clerical, secretarial activities.
- F. Accounting and bookkeeping activities.
- G. Tutoring.
- H. Other businesses as approved by the Board of Directors.

Typically unacceptable home businesses include the following:

- A. Repair or sale of motor vehicles, trailers, boats or related equipment.
- B. Sale of goods, within the operator's dwelling, from stock available on the premises.
- C. Operations that require the outside display of goods, or outside storage of equipment and materials. Except for articles produced on the premises, no stock in trade shall be stored, displayed or sold on the premises.
- D. Operations which require large numbers of vehicles, or generate increased traffic or parking problems.
- E. Operations which require clients or customers on the premises.

III. TRAFFIC CONSIDERATIONS

- A. Activity conducted at the residence shall not generate traffic inconsistent with that of a typical single family dwelling and must be limited to personal or non-commercial vehicles.
- B. Parking for these vehicles is limited to driveway, garage, or assigned parking spaces. Visitor or non-reserved spaces shall not be used for parking for business related activities.
- C. Vehicles with commercial lettering or signage associated with the operation will not be permitted.

IV. ENVIRONMENTAL AND SAFETY CONSIDERATIONS

A. Owners/operators shall discharge into the sewer system only those wastes that are permitted by the County Sanitation Authority.

B. The home business shall not produce excess or untypical trash to be set out for collection by the Association's trash collection contractor or any operator's trash collection contractor. No noxious or offensive fumes may be produced as a result of the home business.

C. Owners/operators shall not store or use flammable, explosive or toxic materials other than those typical to family residences.

D. Home business shall not attract customers in numbers that would make the dwelling discernible from other residences.

E. No business signs shall be visible from the outside of the residence.

F. The activity shall not generate noise in excess of that normally associated with a single family residence.

G. There shall be no observable activity connected with the operation of a home business between the hours of 9:00pm and 8:00am.

V. ADMINISTRATIVE PROCEDURES

A. Any use of residential property for a home business shall require an application from the home owner as well as written approval from the Board of Directors and shall include:

1. A full description of the intended activity with expected number of employees, hours of operation, and materials used in the operation of the business.
2. A neighborhood impact statement (vehicular traffic, parking, deliveries, etc.)

B. Should an application be denied by the Board of Directors, the Board's decision may be appealed to the Board of Directors upon written request. Notice of all Board of Directors decisions will be sent via U.S. Mail within ten (10) days of the date an application was ruled upon. Upon receipt of notification of approval it is the responsibility of the applicant to secure all necessary permits/licenses with the Town, County, and State authorities.

C. Should an application be approved by the Board of Directors, the applicant must forward to the Association within sixty (60) days a copy of the property documentation from the Town and/or any other authorization as required.

D. Pursuant to the provisions Article 12, Section 12.1 of the Declaration, an owner or resident found to be in violation of any of the relevant Ordinances, Laws, or Association governing documents, rules and regulations, may be subject to enforcement action taken by the Association. If a resident persists in the operation of a home business in violation of this Resolution, the Zoning Ordinance, or the Association's governing

documents and rules and regulations after receipt of a notice to cease and desist, the Association may undertake any and all remedies available to it, including but not limited to assessments of charges against the owner; seeking of an injunction in the Loudoun County Circuit Court; notification of the zoning authorities; and such other remedies as the Board deems necessary and appropriate. The costs incurred by the Association in pursuing such remedies or proceedings, including reasonable legal fees and costs, shall be paid by the owner in violation.

This resolution shall become effective on 08-19-2008.

**NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION
RESOLUTION ACTION RECORD**

Resolution Type: Policy No. 03-01

Pertaining to: Home Business Policy Duly adopted at a meeting of the Board of
Directors held on August 19, 2009.

Motion by: Gary Hill Seconded by: Tracy Plazyk

ABSENT	VOTE:		
	YES	NO	ABSTAIN
<u>/s/ Tracy Plazyk</u> Director	Y	—	—
<u>/s/ Melissa Jarrell</u> Director	Y	—	—
<u>/s/ Gary Hill</u> Director	Y	—	—
<u>/s/ Kathy Wilt</u> Director	Y	—	—
<u>/s/ Alfred Horton</u> Director	Y	—	—

ATTEST:

/s/ Melissa Jarrell
Secretary

08/19/08
Date

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.

RESOLUTION NO. 2012-1

RESOLUTION ON ACCESS TO BOOKS AND RECORDS

WHEREAS, New Town Meadows Homeowners Association, Inc. ("the Association") came into existence as a property owners' association organized and operating pursuant to the Virginia Property Owners' Association Act, § 55-508, *et seq.*, Code of Virginia, (1950, as amended) ("Act") by the filing of the Declaration of Covenants, Conditions and Restrictions for the New Town Meadows subdivision located in the Town of Lovettsville, Loudoun County, Virginia, which Declaration is of record in the land records of Loudoun County, having been filed therein on October 7th, 2004; and,

WHEREAS, Section 55-510.A-D of the Act outlines the records that must be made available, those which may be withheld and allows the Association to charge owners for copies of books and records of the association if the Board of Directors formally adopts a schedule of charges for materials and labor; and,

WHEREAS, Article 9.2 of the Bylaws, Books and Records, Availability states, The books and records of the Association shall be available for examination by the Owners, their attorneys, accountants, Mortgagees and authorized agents during general business hours on business days at the times and in the manner established by the Board of Directors for the general knowledge of the Owners in accordance with and subject to the limitations permitted by section 13.1-933 of the Act and section 55-510 of the POA Act or as other required by law; provided, however, that the Association is not required to maintain or make available records over three years old unless otherwise required by law. The list of Owners required by Section 2.8 shall be available for inspection for a period of ten days prior to the meeting and at the meeting. Pursuant to Section 13.3 of the Declaration, all Mortgagees or their authorized representatives shall have the right to examine the books and records of the Association on the same terms and conditions as the Owners. The Board of Directors may fix from time to time a reasonable charge to cover the direct and indirect costs of providing any documents; and,

WHEREAS, the Bylaws, Article 4, Powers and Duties of the Board of Directors, Section 4, states The Board of Directors shall have power to: Adopt and amend any reasonable Rules and Regulations not inconsistent with the Association Documents; and,

WHEREAS, for the benefit and protection of all Owners, and in compliance with the Act, the Board deems it desirable to formally adopt a resolution to establish a policy regarding member access to Association books and records;

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT:

I. Request for Examination and Copying.

A. Only members of record in good standing or their authorized agent may request access to Association books and records.

B. A written request for examination and/or copies must be submitted to the Managing Agent at a minimum of five (5) days notice. The request must contain a specific list of all records to be examined. The request form is attached to this resolution as **Attachment A**.

C. Examination of all records shall be at the primary location of the Managing Agent at a time mutually agreed upon by the Managing Agent and the requester, but at all times during normal business hours.

II. Books and Records Available for Review.

A. Members shall have access to books and records of the Association with the exception of those that concern:

- 1- Personnel matters relating to specific identified persons or a person's medical records;
- 2- Contracts, leases or other commercial transactions currently in or under negotiation;
- 3- Pending or probable litigation
- 4- Matters involving formal proceedings before a government tribunal for enforcement of the association documents or rules and regulations
- 5- Communications with legal counsel that are protected by the attorney-client privilege
- 6- Disclosure of information in violation of law
- 7- Meeting minutes or other confidential records of an executive session of the board of directors
- 8- Documentation, correspondence or reports compiled for the association for consideration in executive session
- 9- Individual unit or member files other than those of the requesting member
- 10- Draft minutes of any board or committee meeting that are less than sixty (60) days old

III. Charges.

The Association is charged fees in accordance with Attachment A-Non-Routine Services, of the contract with the Managing Agent for compiling, overseeing examination and copying Association documents. All such fees will be charged to the requesting member. The schedule of fees is attached to this resolution as **Attachment B** and may be updated annually. All such updates to the schedule of charges shall be published on the Association website (if applicable) or provided to members on request.

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
RESOLUTION ACTION RECORD

Resolution Type: Administrative No. 2012-1

Pertaining to: Access to Book and Records

Duly adopted at a meeting of the Board of Directors held on August 30, 2012

Motion by: Jeni Spagnoli Seconded by: Jackie Harlow

VOTE:	YES	NO	ABSTAIN	ABSENT
<u>Jeni Spagnoli</u> President	<u>X</u>	___	___	___
<u>Jacqueline Harlow</u> Vice President	<u>X</u>	___	___	___
<u>Thomas Watson</u> Secretary	<u>X</u>	___	___	___
_____ Treasurer	___	___	___	___

ATTEST:

Thomas Watson
Secretary

08/30/12
Date

Resolution effective: 07/01/2012

Attachment A

REQUEST TO REVIEW
NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION DOCUMENTS

I, _____, request to examine the following files/documents:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

I understand that this request is subject to the terms and conditions outlined in New Town Meadows Homeowners Association, Inc. Resolution 2012-1 and Section 55-510 of the Virginia Property Owners' Association Act, and that the administrative and copying costs are my responsibility.

Name (please print)

Date

Signature

Property Address

Telephone

Email

Instructions: Please complete this form and return it to NTMHOA, PO Box 2070, Purcellville VA 20134 or email it to ntmhoa@horizoncommunityservices.com. Within five (5) business days of receipt of the request, you will be contacted via the telephone number and/or email address above to arrange a time/date for you to review the requested files and/or documents.

Attachment B

2012 FEE SCHEDULE FOR DOCUMENT REVIEW/REPRODUCTION

All Below Fees are payable to the Association by the requesting homeowner or their agent.

Compilation of Association Documents to Electronic File for On Site Review	\$25.00
Compilation of Unit File Documents to Electronic File for On Site Review	\$25.00
On site Access to Association records	\$25.00/hr
Document Reproduction Fees	
Annual or Board Meeting Minutes (up to 6 mo)	\$20.00
Articles of Incorporation	\$20.00
Bylaws	\$20.00
Budget	\$20.00
Declaration (CC&Rs)	\$25.00
Annual Financial Statements	\$10.00
Current (Unaudited) Financial Statements	\$10.00
Insurance Declaration Pages	\$25.00
Reserve Study	\$50.00
Rules & Regulations/Architectural Guidelines	\$10.00
All other Records	\$.15/page

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.

RESOLUTION NO. 2012-2

RESOLUTION ON COMPLAINT PROCEDURES

WHEREAS, the Bylaws, Article 4, Powers and Duties of the Board of Directors, Section 4, states The Board of Directors shall have power to: Adopt and amend any reasonable Rules and Regulations not inconsistent with the Association Documents; and,

WHEREAS, the Association receives complaints, both written and oral, from the Association's membership and residents regarding violations of the Governing Documents; and,

WHEREAS, for the benefit and protection of all Owners, and in accordance with the provisions of Section 55-530 of the Code of Virginia, the Board deems it desirable to formally adopt a policy resolution to enable the Association to review compliance with this rule,

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Association is only required to act on written complaints submitted to the Association's management, or management or Board-witnessed violations, in accordance with the procedures set forth in this Resolution.
2. In order to properly submit a formal complaint upon which the Association will act, all residents, owners and any other party must submit a written complaint on the form attached hereto as Attachment A, to the Association's management office and to the attention of the Board of Directors.
3. All written complaints shall be sent via USPS, hand delivery, facsimile or e-mail, using the following information:


NTMHOA
c/o American Management of Virginia
722 E. Market St, Ste. 201
Leesburg, VA 20176
703-771-3995 / FAX 703-771-4185
JRosa@AMVirginia.com

4. All complaints must include the following information:
 - The name and address of the complainant

- The nature of the alleged violation
 - The time, date and place of the violation
 - The name and address of the suspected violator, if known
 - The signature of the complainant
5. The Association's management shall maintain a record of the complaint for no less than one year from the date the Association takes action on the complaint.
 6. Upon receipt of a valid, written complaint, the Association shall take appropriate action to investigate and resolve the complaint, in accordance with the Association's Governing Documents and the applicable provisions of the Virginia Code.
 7. The Association's management may contact a complainant to request additional information related to a written request
 8. The complainant may contact the Association, in writing, to follow up on the status of a complaint.
 9. The Association shall advise all complainants via the Association's authorized complaint form, of their right to provide notice of any adverse decisions rendered by the Association, to the applicable Office of the Common Interest Community Ombudsman. The name, address and telephone number of the office to which notice should be directed, shall be included on the authorized complaint form as approved by the Board of Directors.
 10. The Association holds owners legally responsible for ensuring that residents of their household, their tenants, guests or invitees, comply with the Association's Governing Documents.

The effective date of this Resolution shall be September 28, 2012.

NEW TOWN MEADOWS
HOMEOWNERS ASSOCIATION, INC.



President

RESOLUTION ACTION RECORD

Resolution Type: Policy No. 2012-2

Pertaining to: Complaints Procedures

Duly adopted at a meeting of the Board of Directors held on August 30, 2012

Motion by: Thomas Watson Seconded by: Jackie Harlow

VOTE:	YES	NO	ABSTAIN	ABSENT
<u>Jeni Spagnoli</u> President	X			
<u>Jacqueline V Harlow</u> Vice President	X			
<u>Thomas Watson</u> Secretary	X			

Treasurer				

Resolution effective: September 28, 2012.

**ATTACHMENT A
COMPLAINT FORM
NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.**

Please sign and date each page

Name of complainant: _____

Address: _____

Phone: _____ (H) _____ (W/M)

E-mail: _____

Preferred Method of communication: _____

Please describe the nature of your complaint: _____

Date and Time of Alleged Violation: _____

Location of Alleged Violation: _____

Name and address of the persons who are the subject of the complaint:

Please deliver your complaint via USPS, hand delivery, facsimile or e-mail to:

NTMHOA
c/o American Management of Virginia
722 E. Market St, Ste. 201
Leesburg, VA 20176
703-771-3995 / FAX 703-771-4185
JRosa@AMVirginia.com

Be advised, the Association may elect not to take action on any complaint which does not conform to the above referenced delivery requirements or include the requested information on this form.

Upon receipt of your complete, written complaint, the Association will begin investigation of your complaint. The Association will maintain a record of your complaint for at least one year from the date upon which it takes action to resolve your complaint.

You may contact the Association in writing via United States Postal Service mail, hand delivery, electronic mail or facsimile, using the above referenced contact information.

The Office of the Common Interest Community Ombudsman ("Office"), is a governmental body, which may assist you in using the complaint procedures set forth in the Association's governing documents, as well as the Virginia Property Owners' Association Act. In accordance with the Common Interest Community Board's ("CIC Board") rules and procedures and Va Code § 55-530, you may give notice to the CIC Board of any final adverse decision which your Association may make regarding your complaint. You must file the notice within 30 days of the final adverse decision. Your notice must be in writing on forms prescribed by the Commonwealth Board, shall include copies of all records pertinent to the decision, and shall be accompanied by a filing fee. The Commonwealth Board may, for good cause shown, waive or refund the filing fee upon a finding that payment of the filing fee will cause you undue financial hardship. For more information or to submit a complaint to the Common Interest Community Ombudsman, please contact the Office of the Common Interest Community Ombudsman at:

Ombudsman
Department of Professional and Occupational Regulation
9960 Maryland Drive Suite 400
Richmond, Virginia 23233-1463
Office – 804-367-2941
Email – cic@dpor.virginia.gov

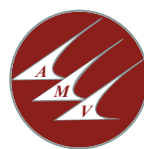
Signature: _____

Date: _____

<p><i>To be completed by Association representative only</i></p> <p>Received by:</p> <p>Title:</p> <p>Date:</p>

New Town Meadows HOA

Appendix 10 § 55.1-2310.A.10.

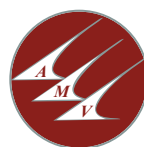


AMERICAN MANAGEMENT
OF VIRGINIA

The most recent balance sheet and income and expense statement, if any, of the association are required to be disclosed under § 55.1-2310.A.10. of the Resale Disclosure Act.

New Town Meadows HOA

Current Unaudited Financial Documents



AMERICAN MANAGEMENT
OF VIRGINIA

New Town Meadows HOA

Balance Sheet

Transaction 02/29/2024

Assets

Cash

Operating Bank United	131,412.41
Operating	100.23

<u>Total Cash</u>	131,512.64
-------------------	------------

Accounts Receivable

Accounts Receivable - Members	11,417.42
Allowance for Bad Debt	(2,903.76)

<u>Total Accounts Receivable</u>	8,513.66
----------------------------------	----------

Investments

CAB Mmkt (0275833088)	225.77
CAB CD (**0284 7m 5% 3/5/24)	10,875.46
CAB CD (28131 13m 3.75% 03/24/24)	23,564.34
CAB CD (28133 13m 3.75% 3/24/24)	13,574.89
CAB CD (33483 12m 4.75% 9/29/24)	16,963.33
BankUnited (9856158097)	16,007.37

<u>Total Investments</u>	81,211.16
--------------------------	-----------

Other Assets

Due (to) from Replacement Fund	11,984.00
Due (to) from Operating	(11,984.00)

<u>Total Other Assets</u>	
---------------------------	--

Prepaid

Prepaid Insurance	1,260.72
-------------------	----------

<u>Total Prepaid</u>	1,260.72
----------------------	----------

<u>Total Assets</u>	222,498.18
---------------------	------------

Liabilities & Equity

Liability

Accounts Payable	812.00
Prepaid Assessments	8,049.32
A/P Mgmt - Disclosure Doc Fees	70.66

<u>Total Liability</u>	8,931.98
------------------------	----------

Contributed Capital

Replacement Reserves	203,042.51
Operating Reserves	37,412.92

<u>Total Contributed Capital</u>	240,455.43
----------------------------------	------------

Equity

Retained Earnings	(26,565.63)
Net Income (Loss)	(323.60)

<u>Total Equity</u>	(26,889.23)
---------------------	-------------

<u>Total Liabilities & Equity</u>	222,498.18
---------------------------------------	------------

AMV Leesburg
722 East Market St. #101
Leesburg, VA 20176

Current Month Operating			Description	Year to Date Operating		
Fund	Budget	Variance		Fund	Budget	Variance
Assessment Revenue						
10,882.00	10,882.00	0.00	40100 Assessment Income	21,764.00	21,764.00	0.00
10,882.00	10,882.00	0.00	TOTAL Assessment Revenue	21,764.00	21,764.00	0.00
Other Revenue						
0.02	83.33	(83.31)	42300 Interest Income	0.05	166.66	(166.61)
300.00	266.67	33.33	42500 Late Fee Income	300.00	533.34	(233.34)
0.00	83.33	(83.33)	42600 Legal Fees Income	0.00	166.66	(166.66)
300.02	433.33	(133.31)	TOTAL Other Revenue	300.05	866.66	(566.61)
Administrative						
0.00	12.50	12.50	50300 Committee & Board Expenses	0.00	25.00	25.00
15.00	0.00	(15.00)	50425 Mgmt Staff Sched A	30.00	0.00	(30.00)
0.00	29.17	29.17	50450 Misc Office Expense	81.00	58.34	(22.66)
44.00	45.83	1.83	50475 Storage	88.00	91.66	3.66
48.71	83.33	34.62	50600 Copies & Printing	108.82	166.66	57.84
112.54	100.00	(12.54)	50650 Postage	168.64	200.00	31.36
5.00	4.17	(0.83)	50675 Certified Mail	5.00	8.34	3.34
0.00	62.50	62.50	50900 Social	0.00	125.00	125.00
225.25	337.50	112.25	TOTAL Administrative	481.46	675.00	193.54
Contracts						
3,643.21	3,643.21	0.00	52300 Grounds Maintenance Contract	7,286.42	7,286.42	0.00
160.00	160.00	0.00	52600 Lake & Pond Contract/s	320.00	320.00	0.00
0.00	287.18	287.18	52700 Pest Control	0.00	574.36	574.36
573.28	500.00	(73.28)	52800 Janitorial Contract	1,437.22	1,000.00	(437.22)
0.00	416.67	416.67	53000 Snow Removal Contract	4,295.50	833.34	(3,462.16)
0.00	128.75	128.75	53350 Special Trash Pickup	0.00	257.50	257.50
4,376.49	5,135.81	759.32	TOTAL Contracts	13,339.14	10,271.62	(3,067.52)
Professional Fees						
0.00	162.50	162.50	58100 Audit & Tax Preparation	0.00	325.00	325.00
100.00	141.67	41.67	58500 Legal Fees - General	200.00	283.34	83.34
0.00	208.33	208.33	58550 Legal Fees - Collections	0.00	416.66	416.66
0.00	8.75	8.75	58551 Collection Costs - Mgmt	0.00	17.50	17.50
1,180.91	1,180.94	0.03	58600 Management Contract	2,361.82	2,361.88	0.06
1,280.91	1,702.19	421.28	TOTAL Professional Fees	2,561.82	3,404.38	842.56
Repairs and Maintenance						
0.00	83.33	83.33	51750 General Maintenance & Repairs	0.00	166.66	166.66
0.00	166.67	166.67	52075 Grounds - Misc maintenance	0.00	333.34	333.34
0.00	416.67	416.67	52100 Tree Maintenance	0.00	833.34	833.34
0.00	666.67	666.67	TOTAL Repairs and Maintenance	0.00	1,333.34	1,333.34
Reserve						

New Town Meadows HOA
Budget Comparison Income Statement
Transaction 2/1/2024 To 2/29/2024 11:59:00 PM

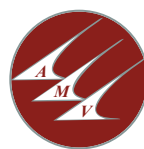
AMV Leesburg
722 East Market St. #101
Leesburg, VA 20176

Current Month Operating			Description	Year to Date Operating		
Fund	Budget	Variance		Fund	Budget	Variance
304.34	304.34	0.00	61800 Operating Reserve Contrib	608.68	608.68	0.00
2,591.58	2,591.58	0.00	61900 Replacement Reserve Con	5,183.16	5,183.16	0.00
2,895.92	2,895.92	0.00	TOTAL Reserve	5,791.84	5,791.84	0.00
Taxes & Insurance						
0.00	371.00	371.00	58300 Insurance	0.00	742.00	742.00
0.00	6.25	6.25	61200 License Fees	0.00	12.50	12.50
0.00	377.25	377.25	TOTAL Taxes & Insurance	0.00	754.50	754.50
Utility						
96.92	200.00	103.08	54200 Electricity	213.39	400.00	186.61
96.92	200.00	103.08	TOTAL Utility	213.39	400.00	186.61
2,306.53	(0.01)	2,306.54	Excess Revenue / Expense	(323.60)	(0.02)	(323.58)

UNAUDITED

New Town Meadows HOA

Financial Audit



AMERICAN MANAGEMENT

OF VIRGINIA

NEW TOWN MEADOWS HOMEOWNERS
ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.

Table of Contents

For the Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New Town Meadows Homeowners
Association, Inc.
Manassas, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of New Town Meadows Homeowners Association, Inc., which comprise the balance sheet as of December 31, 2020, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Town Meadows Homeowners Association, Inc. as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Supplementary Information on Future Major Repairs and Replacements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink, followed by the text "CPA, P.A." written in a similar cursive style. A horizontal line is drawn under the signature and the text.

Kahline CPA, P.A.
August 10, 2021

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
BALANCE SHEET

December 31, 2020

ASSETS

	Operating Fund	Replacement Fund	Total
Cash and Cash Equivalents	\$ 56,770	\$ 16,124	\$ 72,894
Certificates of Deposit	-	62,478	62,478
Assessments Receivable (Net of Allowance for Doubtful Accounts Totaling \$2,904)	6,742	-	6,742
Prepaid Expenses	706	-	706
Due (to) from Fund	5,992	(5,992)	-
Other Receivable - Lockbox	-	-	-
	<u>\$ 70,210</u>	<u>\$ 72,610</u>	<u>\$ 142,820</u>
TOTAL ASSETS	<u>\$ 70,210</u>	<u>\$ 72,610</u>	<u>\$ 142,820</u>

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 7,205	\$ -	\$ 7,205
Prepaid Assessments	9,728	-	9,728
Contract Liabilities - Assessments Received in Advance	-	71,734	71,734
Other Liabilities	-	-	-
	<u>16,933</u>	<u>71,734</u>	<u>88,667</u>
TOTAL LIABILITIES	<u>16,933</u>	<u>71,734</u>	<u>88,667</u>
FUND BALANCES	<u>53,277</u>	<u>876</u>	<u>54,153</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 70,210</u>	<u>\$ 72,610</u>	<u>\$ 142,820</u>

The independent auditor's report and the accompanying notes
are an integral part of these financial statements.

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2020

	Operating Fund	Replacement Fund	Total
REVENUES			
Assessments	\$ 72,208	\$ 55,476	\$ 127,684
Interest and Dividends	41	874	915
Late Charges and Miscellaneous Income	9,045	-	9,045
TOTAL REVENUES	81,294	56,350	137,644
EXPENSES			
Bad Debts	-	-	-
Community Activities	-	-	-
Grounds Maintenance	49,921	-	49,921
Insurance	2,616	-	2,616
Management Fees	12,741	-	12,741
Office Expenses	2,612	-	2,612
Professional Fees	12,987	-	12,987
Repairs and Maintenance	7,407	55,476	62,883
Snow Removal	3,510	-	3,510
Utilities - Electricity	1,593	-	1,593
Income Taxes	-	-	-
TOTAL EXPENSES	93,387	55,476	148,863
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(12,093)	874	(11,219)
Reclassification for Interfund Transfers	-	(14,019)	(14,019)
Fund Balances - Beginning of Year	65,370	14,021	79,391
FUND BALANCES - END OF YEAR	\$ 53,277	\$ 876	\$ 54,153

The independent auditor's report and the accompanying notes
are an integral part of these financial statements.

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2020

	Operating Fund	Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Excess (Deficiency) of Revenues Over Expenses	\$ (12,093)	\$ 874	\$ (11,219)
Adjustments to Reconcile Net Excess (Deficiency) of Revenues Over Expenses to Net Cash Provided by (Used In) Operating Activities:			
(Increase) Decrease in:			
Assessments Receivable	5,378	-	5,378
Prepaid Expenses	44	-	44
Other Assets	5,223	-	5,223
Increase (Decrease) in:			
Accounts Payable	5,750	-	5,750
Prepaid Assessments	1,880	(5,992)	(4,112)
Other Liabilities	-	-	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>6,182</u>	<u>(5,118)</u>	<u>1,064</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest from Certificates of Deposit - Reinvested	-	(838)	(838)
Other Investing Activities	-	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>-</u>	<u>(838)</u>	<u>(838)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interfund Transfers/Borrowings	(20,011)	20,011	-
Reclassification for Interfund Transfers	-	(14,019)	(14,019)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(20,011)</u>	<u>5,992</u>	<u>(14,019)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,829)	36	(13,793)
Cash and Equivalents - Beginning of Year	<u>70,599</u>	<u>16,088</u>	<u>86,687</u>
CASH AND EQUIVALENTS - END OF YEAR	<u>\$ 56,770</u>	<u>\$ 16,124</u>	<u>\$ 72,894</u>
SUPPLEMENTAL INFORMATION			
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The independent auditor's report and the accompanying notes
are an integral part of these financial statements.

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
NOTES TO CASH BASIS FINANCIAL STATEMENTS

December 31, 2020

Note 1: Organization and Significant Accounting Policies

Organization and Function

New Town Meadows Homeowners Association, Inc. (the Association) was organized as a non-stock, non-profit corporation under the laws of the Commonwealth of Virginia in September 2004. The Association is located in Lovettsville, Virginia, and consists of one hundred and fifty-three (153) single-family and new-traditional homes. Its purpose is to maintain and protect the common areas of the community.

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements of the Association.

Property and Equipment

Real and common area property acquired by the Association that is directly associated with the units is not capitalized by the Association. Replacements and improvements to the real and common area property are not capitalized.

Reserve for Replacements

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds are held in separate accounts and are generally not available for operating purposes.

The Association's Board of Directors engaged an independent engineer who conducted a study in 2020 (previous study conducted 2014) to estimate the remaining useful lives and replacement costs of the common property components. The table included in the unaudited supplementary information on future major repairs and replacements is based on the 2020 study.

For 2020, the Association funded for such major repairs and replacements over the estimated useful lives of the components based on the 2014 study's estimates of current replacement costs. Using the cash flow method of funding, the 2014 study recommends annual contributions totaling \$26,425 for 2020. The Association contributed \$35,465 plus investment income to the Replacement Fund for the year ended December 31, 2020. Actual expenditures may vary from the estimated amounts and the variations may be material, therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments, to levy special assessments, or it may delay major repairs and replacements until funds are available.

Cash and Cash Equivalents

For purposes of these statements, the Association considers all highly liquid investments with an original maturity of three (3) months or less to be cash equivalents.

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
NOTES TO CASH BASIS FINANCIAL STATEMENTS

December 31, 2020

Note 1: Organization and Significant Accounting Policies (Continued)

Income Taxes

For income tax purposes, the Association may elect annually to file either as an exempt homeowner association or as an association taxable as a corporation. As an exempt homeowner association, the Association's net assessment income would be exempt from income tax, but its interest would be taxed. Electing to file as a corporation, the Association is taxed on its net income from all sources (to the extent not capitalized or deferred) at normal corporate rates, subject to the limitation that operating expenses are deductible only to the extent of income from members. For the year ended December 31, 2020, the Association filed as exempt homeowner association.

The Association's policy is to recognize any tax penalties and interest as an expense when incurred. The Association's federal and state tax returns for the past three years remain subject to examination by the Internal Revenue Service and the Commonwealth of Virginia.

Member Assessments

Association members are subject to assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association's policy is to assess late and interest charges in accordance with the Association's collection policy and/or governing documents and if necessary and approved by the Board, to retain legal counsel and place liens on the properties of owners whose assessments are delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year. The Association utilizes the allowance method of accounting for bad debt; the balance for doubtful accounts was \$2,904 as of December 31, 2020.

Contract Liabilities (Assessments Received in Advance)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance - replacement fund) is (are) recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. As of December 31, 2020, the balance for contract liabilities (assessments received in advance -replacement fund) was \$71,734.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Association currently does not measure any of its assets or liabilities at fair value and is not required under generally accepted accounting principles to disclose the fair value of its financial instruments.

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
NOTES TO CASH BASIS FINANCIAL STATEMENTS

December 31, 2020

Note 2: Commitments

The Association has engaged American Management of Virginia, Inc. as its managing agent to handle the finances of the Association. The managing agent maintains separate bank accounts on behalf of the Association.

The Association also has other contract services, including services for grounds maintenance.

Note 3: Inter-Fund Receivable/Payable

The balance due from the Replacement Fund totaling \$5,992 as of December 31, 2020, consists of net transfers to the Replacement Fund for investment purposes. Additional net transfers to the Replacement Fund totaling \$20,011 for capital expenses were made during the year ended December 31, 2020.

Note 4: Subsequent Events:

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date of the auditor's report, the date the financial statements were available to be issued.

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
 SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS
 AND REPLACEMENTS (UNAUDITED)

December 31, 2020

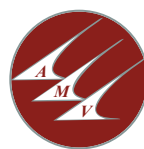
An independent engineer conducted a Level II reserve study and update in 2020 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date and do not consider the effects of inflation between the date of the study and the date that the components will require repair or replacement. The following information has been extracted from the study, which has not been updated and presents significant information about the components of common property. The Replacement Fund balance has not been designated into categories as described below.

Component	2020 Estimated Remaining Useful Life (Years)	2020 Estimated Current Replacement Cost
Asphalt Components	5-20	\$ 148,303
Concrete Components	5-10	111,777
Site Features	1-45	<u>154,209</u>
TOTAL		<u>\$ 414,289</u>

See independent auditor's report.

New Town Meadows HOA

Appendix 11 § 55.1-2310.A.11.



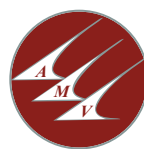
AMERICAN MANAGEMENT

OF VIRGINIA

The current operating budget of the association is required to be disclosed under § 55.1-2310.A.11. of the Resale Disclosure Act.

New Town Meadows HOA

Budget



AMERICAN MANAGEMENT

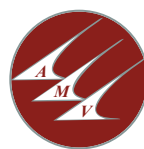
OF VIRGINIA

**New Town Meadows
2024 Approved Budget**

Description	2024 Budget
Monthly Assessments (100 Units)	\$64.30
Monthly Assessments (53 Units)	\$84.00
No Special Assessment	\$0.00
INCOME	
Assessment Revenue	
Regular Assessment Income	130,584.00
Special Assessment Income	0.00
Total Assessment Revenue	130,584.00
Other Revenue	
Interest Income	1,000.00
Late Fee Income	3,200.00
Legal Fees Income	1,000.00
Total Other Revenue	5,200.00
Total Income	135,784.00
EXPENSE	
Administrative	
Bad Debt Write-off	0.00
Misc Office Expense	350.00
Committee & Board Expenses	150.00
Storage	550.00
Copies & Printing	1,000.00
Postage	1,200.00
Certified Mail	50.00
Mgmt Staff Schedule A	0.00
Social	750.00
Total Administrative	4,050.00
Contracts	
Grounds Maintenance Contract	43,718.55
Lake & Pond Contract	1,920.00
Pest Control	3,446.10
Janitorial Contract (Dog Stations)	6,000.00
Trash Pickup AMV	1,545.00
Snow Removal Contract	5,000.00
Total Contracts	61,629.65
Professional Fees	
Audit & Tax Preparation	1,950.00
Legal Fees - General	1,700.00
Legal Fees - Collections	2,500.00
Collection Costs - Mgmt	75.00
Management Contract	14,171.23
Total Professional Fees	20,396.23
Repairs and Maintenance	
Sign R&M	0.00
General Maintenance & Repairs	1,000.00
Grounds - Misc Maintenance	2,000.00
Tree Maintenance	5,000.00
Total Repairs and Maintenance	8,000.00
Reserve	
Operating Reserve Contribution	3,652.12
Replacement Reserve Contribution	31,099.00
Total Reserve	34,751.12
Supplies	
General Maintenance Supplies	0.00
Total Supplies	0.00
Taxes & Insurance	
Insurance	4,452.00
License Fees	105.00
Total Taxes & Insurance	4,557.00
Utility	
Electricity	2,400.00
Total Utility	2,400.00
Total Expense	135,784.00
Excess Revenue / Expense	0.00

New Town Meadows HOA

Appendix 12 § 55.1-2310.A.12.



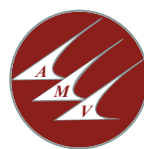
AMERICAN MANAGEMENT

OF VIRGINIA

The current reserve study, or a summary of such study, is required to be disclosed under § 55.1-2310.A.12. of the Resale Disclosure Act.

New Town Meadows HOA

Reserve Reports



AMERICAN MANAGEMENT

OF VIRGINIA



MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.



Condition Assessment
&
Reserve Fund Plan Update
2020

NEW TOWN MEADOWS

Lovettsville, Virginia



Prepared for:
The Board of Directors
&
American Management of Virginia, Inc., AAMC®



MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.



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November 18, 2020

Ms. Dorina Gjonaj, Community Association Manager
American Management of Virginia, Inc., AAMC®
722 East Market Street, Suite 100
Leesburg, Virginia 20176

RE: **CONDITION ASSESSMENT AND RESERVE FUND PLAN UPDATE 2020**
New Town Meadows Homeowners Association
Lovettsville, Virginia
Project No. 9210

Dear Ms. Gjonaj:

Mason & Mason Capital Reserve Analysts, Inc. has completed the report for New Town Meadows.

As outlined in our proposal, the report is being submitted to you and the Board of Directors for review and comment. A review of the Summary of Key Issues iii, and Sections 1 and 2 will provide you with our findings and financial analyses. We will be happy to meet with the Board to help them fully understand the issues. If no changes are necessary, please consider this version the final report. If changes are requested, Mason & Mason will make the revisions and re-issue the report. We encourage the Board to complete this process expeditiously and will support the effort.

We genuinely appreciate the opportunity to work with you and the Association.

Sincerely,

Mason & Mason Capital Reserve Analysts, Inc.

James G. Mason III, R.S.
Vice President



James G. Mason, R.S.
Principal



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FOREWORD

PLEASE READ THIS FIRST

This report contains information the Board requires to fulfill its fiduciary responsibilities with respect to the financial health of the Association. Even if you are already familiar with the concepts of capital reserve planning, it requires some study. The information in this report is vital to your Association's financial health. Unless you understand it, your Association may not follow it. This may lead to underfunding and financial stress at some time in the future.

Our years of experience providing reserve analysis to both first-time and multi-update return clients have compelled us to develop a logical funding approach, which is based on generational equity and fairness to common-interest property owners that helps ensure realistic reserve funding levels.

Our approach is neither standard, nor is it necessarily easy to understand without first becoming familiar with some basic concepts. Section 3 explains these concepts in more detail. We want you to understand them because a well-informed Association makes the best decisions for its common-property owners.

SUMMARY OF KEY ISSUES

Different readers will look for different things from this report. Perhaps the *homeowner* will just be looking for the high points. A *prospective buyer* may be looking at the general financial condition of the Association's reserves. A *Board member* should probe deeper in order to understand the financial tools that will be helpful in fulfilling their fiduciary responsibilities to the Association.

The Summary of Key Issues presents a recapitulation of the most important findings of New Town Meadows' Reserve Fund Plan Update. Each is discussed in greater detail in the body of the report. We encourage the reader to "go deeper" into the report, and we have written it in a way that is understandable to a first-time reader.

Covid19 is impacting our economy in ways never experienced. And, we are only at the beginning, making it virtually impossible to assume and project any relevant inflation and interest income for reserve plans. As we move forward, we may be able to see a pathway and some stability, but in the interim M & M is reducing inflation to 1.5% and interest income to .5%. Generally speaking, this will reduce reserve contributions because inflation is a very powerful factor. As common property associations experience higher delinquency rates and budgeting difficulties, we anticipate that reductions in reserve contributions may provide welcome relief. The lowering of these factors is conjecture and may not reflect the coming reality but will certainly help in the near-term months and possibly years. Pricing for capital repair and replacements will be unstable as contractors experience lower energy costs and higher competition, but also supply chain disruptions and labor problems. With all of this uncertainty, it is highly advisable to administratively update reserve plans frequently during this evolving crisis. Hopefully, time will illuminate the way forward.

Analyzing the capital reserves reveals that:

- The fund is approximately **54%** funded through 2019, **See Paragraph 3.1**. Our goal is to become fully funded by the end of the 20-year period (2039).

To achieve this goal, the Board should:

- Apply a **0.52%** annual adjustment to the contribution beginning in **2021**. Or, from **\$30,465** to **\$30,622**, and plan on continuation of the annual adjustments throughout the remainder of the period.
- This represents an adjustment from **\$16.59** to **\$16.68** (a net adjustment of **\$0.09**) per residence, per month (based on **153** homes).

Supporting data are contained in the body of this report, and we encourage the reader to take the time to understand it.

VISUAL EVALUATION METHODOLOGY

The first step in the process is collection of specific data on each of your community's commonly held components. This information includes quantity and condition of each included component. We collect most of this data during the on-site field survey. When this information is not available in the field, we may obtain it by discussion with those knowledgeable through management or service activities.

The field survey or condition assessment is visual and non-invasive. We do not perform destructive testing to uncover hidden conditions; perform operational testing of mechanical, electrical, plumbing, fire, and life safety protection; or perform code compliance analysis.

We make no warranty that every defect has been identified. Our scope of work does not include an evaluation of moisture penetration, mold, indoor air quality, or other environmental issues. While we may identify, pedestrian hazards observed during the course of the field survey, this report should not be considered a safety evaluation of components.

Replacement costs are sometimes based on published references, such as R. S. Means. However, our opinions of replacement costs usually include removal and disposal and are usually based on experience with similar projects including information provided by local contractors and reported client experience. Actual construction costs can vary significantly due to seasonal considerations, material availability, labor, economy of scale, and other factors beyond our control.

Projected useful service lives are based on statistical data and our opinion of their current visual condition. No guarantee of component service life expectancies is expressed or implied and none should be inferred by this report. Your actual experience in replacing components may differ significantly from the projections in the report, because of conditions beyond our control or that were not visually apparent at the time of the survey.

1. INTRODUCTION

1.1 Background: New Town Meadows Homeowners Association is comprised of 153 single-family homes (SFH) and neo-traditional homes (NTH), located on the Berlin Turnpike in Lovettsville, Virginia. Construction began in 2003 and was complete around 2007. The streets serving both the SFHs and the NTHs have been turned over to VDOT. The NTH garages are served by private (common) alleys. There are eight of these paved alleys. Some or portions are blocked for use by pedestrians. One alley, (Keister) serves as a driveway for an existing home behind the community. The alleys are identified as: Cordell, Keister, Roller, Heater, Working, Cuize, Eamich, and Henop. The alleys are currently asphalt and do not contain curbs. There is no formal parking provided.

We are providing the Condition Assessment and Reserve Fund Plan Update based on Proposal Acceptance Agreement No. 9210 dated October 10, 2020. Our services are subject to all terms and conditions specified therein.

Mason & Mason did not review the declarations, covenants, or other organization documents pertaining to the establishment and governance of the Homeowners Association. Ultimately, the establishment, management, and expenditure of reserves are within the discretion of the Association and its Board of Directors pursuant to their organizational documents and subject to the laws of the applicable jurisdiction. We are not otherwise financially associated with the Management Company or the Association, and we therefore do not have any conflicts of interest that would bias this report. Information provided by Management is deemed reliable. This report is not intended to be an audit or a forensic investigation. This report is not a mandate but is intended to be a guide for future planning.

Mason & Mason provided a Level I Condition Assessment and Reserve Fund Plan for New Town Meadows in 2009 and a Level II Update in 2015. This report is an additional Level II Update and includes a new condition assessment. All common components were visually observed. Measurements and quantities were generally accepted from the previous report except where changes have occurred. The update report is a stand-alone document and reference to the previous report should not be necessary.

James G. Mason III, R. S. conducted the field evaluation for this report on November 13, 2020. The sky was clear, and the temperature was approximately 65 degrees F. Precipitation had occurred for several days prior to the site visit. The pavements, walkways, and grounds were generally dry and clean of debris.

1.2 Principal Findings: The common assets appear to be in overall fair to good condition. The asphalt alley pavement ranges from fair to good or new condition. The pavements were crack filled, and seal coated recently. Two of the alleys were fully restored (Cuize and Eamich). Therefore, we have developed a Phase 1 and a Phase 2 approach to the future asphalt restoration projects. Phase 1 pavements include Cordell, Keister, Roller, Heater, Working, and Henop. Several of these alleys are exhibiting moderately deflected asphalt (indicative of sub-base damage). We have lowered the pavement service life of the Phase 1 pavements, as they will require restoration in the next five years. Cyclic pavement maintenance, which includes full-depth repairs to deflected asphalt, crack filling, and seal coating should continue every five years.

The asphalt footpaths are in generally fair condition. Some paths are exhibiting edge cracking and a minor amount of transverse cracking. Some crack filling was observed in a limited quantity of footpath. The footpaths should be restored during the next major asphalt restoration project (Phase 1), scheduled in 2025. Any tripping hazards or surface deficiencies should be mitigated to prevent personal injury.

The concrete sidewalks and the driveway aprons are in continuing good condition. Very few deficiencies were observed. The liability and costs associated with personal injury lawsuits resulting primarily from sidewalk and curb tripping hazards are too great to defer repair. It is our opinion that deficiencies, which pose a hazard to pedestrians should be corrected as soon as practicable.

Site features such as the entrance monuments, street signage, most wood components, picnic area, pond aeration fountain, flag poles, and the storm water drainage ponds range from fair to generally continuing good condition. The wood fencing at the entrance was recently removed and replaced with vinyl and PVC fencing, which should provide many years of service if properly maintained. It appears that the tot lot components have been upgraded to include a four-post climbing module and an additional play module since our last evaluation. We are continuing with the Tree Trimming, Removal, & Replacement Allowance budget set by Management.

Currently, the reserve fund is adequate, and requires only minimal annual adjustments in contributions to eventually achieve the fully funded goal by the end of the 20-year period.

In order to maintain the physical attributes that preserve property values and provide a safe environment for occupants and guests, a series of capital expenditures should be anticipated. Consequently, we have scheduled near-, mid-, and late-term restoration and replacement projects based on anticipated need from our experience with similar properties.

Generally, our approach is to group appropriately related component replacement items into projects. This creates a more realistic model and allows a grouping timeline that is more convenient to schedule and logical to accomplish. Please see the Table 1 Discussion, Column 17, and the Asphalt Pavement Report in Section 7, for specific information.

2. FINANCIAL ANALYSIS

We track the annual inflation rate among our clients based on their reported costs for typical services. The average rate of inflation since the 2008 recession has been 1.46% according to the U.S. Labor Department and is similar in our experience with clients. Substantially higher inflation rates have not materialized since then. It appears that the Covid 19 impact on the economy will continue to hold inflation down, so we are using a 1.5% annual rate of inflation in our calculations. This 20-year average reflects a hypothetical 0% rate in the first year progressing to a hypothetical 3% in the 20th year. Interest income is expected to drop as Federal Reserve rates respond to poor economic conditions, so we are using a .5% annual rate of return on investments in our calculations. This 20-year average reflects a hypothetical 0% rate in the first year progressing to a hypothetical 1% in the 20th year. However, unlike reserves, interest income is taxable, which may reduce the net gain even further. Annual Administrative Updates are increasingly important to respond to rapidly changing conditions during the crisis. It is prudent to keep a close watch on the economy and be ready to respond by updating the reserve fund plan as economic changes dictate.

2.1 Calculation Basics: The Association is on a calendar fiscal year. Management reported that the reserve fund balance, including cash and securities, as of **December 31, 2019**, was **\$77,726**. We have used **1.5%** annual inflation and **.50%** annual interest income in our calculations. The total expenditures for the twenty-year period for both the **Cash Flow Method** and **Component Method** are projected to be **\$423,982**.

2.2 Funding Analysis, Cash Flow Method, Hybrid Approach (Table 3): The **2020** annual contribution to reserves has been set at **\$30,465**. **To maintain fully funded status through the end of the period, a 0.52% annual adjustment should be applied beginning in 2021.** At this level, the total for all annual contributions for the twenty-year period would be **\$640,136**, and the total interest income is projected to be **\$17,397**. **The fully funded balance in 2039 is \$311,277.**

2.3 Funding Analysis, Component Method (Table 4): This method of funding would require variable annual contributions, averaging **\$31,879** over the twenty-year period. The total for all annual contributions would be **\$637,585**, and the total interest income is projected to be **\$19,948**. **The fully funded balance in 2039 is \$311,277.** The Component Method model considers the current reserve fund balance in computing individual component contributions for current cycles.

3. METHODS OF FUNDING

Once the data are compiled, our proprietary software produces two distinct funding methods. These are the **Component Method and Cash Flow Method**. Each of these methods is used in analyzing your Association's reserve status and each plays a role in the Board's decision on how to fund reserves. While we provide the guidance, the choice of funding method is ultimately the prerogative of the Board. Considering the vulnerability of the Association's assets, its risk tolerance, and its ability to fund contributions, the Board should decide how the Association will fund its reserves and at what level.

3.1 Component Method: As reserve analysts, we recognize the value of Component Method calculations as they address both future replacement costs and the time remaining to fund them. **This is the foundation of the savings concept. You will see the term "fully funded." This simply means you are on schedule, in any given year, to accrue sufficient funds by the component's replacement date. It does not mean you must have 100% of the funds ahead of time.** Simplified Example: A component projected to cost \$1,000 at the end of its 10-year life cycle would require a \$100 annual contribution in each of the 10 years. As long as you follow this contribution plan, the component is "fully funded."

Prior to determining the actual required annual contribution, a complex calculation apportions the existing reserve fund to each component. Each component's remaining unfunded balance forms the basis for the required contribution going forward.

Funds set aside for replacement of individual components are not normally used for the replacement of other components, even though the funds reside in the same bank account. In rare cases where a reserve fund is actually overfunded, \$0 will be displayed on the Component Method tables, indicating that the component is fully funded for that cycle.

While the time basis for the report is a 20-year period, the Component Method allows for inclusion of long-life components that may require replacement after the specified period. **This allows for funding of long-life components contemporaneously, which is fundamentally fair if they are serving the current owners. This is in contrast to saying, "if it doesn't require replacement within our 20-year period, we're going to ignore it."**

Due to replacement cycle time and cost differentials, the Component Method typically results in annual contribution fluctuations, which often makes it difficult for a Board to implement. **However, its guidance is essential and invaluable for understanding funding liabilities and making informed recommendations.** Table 4 shows these calculations, as well as projects interest income, expenses with inflation, and yearly balances, which will be "fully funded."

3.2 Cash Flow Method: The Cash Flow Method is easier to implement. It is a simple 20-year spread sheet that includes the starting balance, current contribution, interest income, inflation rate, projected expenses, and resulting yearly balances. The Cash Flow Method pools the contributions allocated to each of the Association's common components into a single "account."

Table 3 shows these calculations. This table reflects the information you provided on your reserve fund balance and current contribution. It also shows projected yearly positive or negative balances. **The Cash Flow Method does not include replacement funding for anything beyond the 20-year period, thus leaving a potential shortfall in funding and failing to address generational equity if not specifically set to do so.** It does not provide any real guidance beyond the basic information. There are several variations on cash flow goals such as Threshold Funding (just enough to stay positive) and Percentage Funding (a predetermined level based on some arbitrary percentage), but these schemes don't address the reality of fully funding, and typically are just a way of passing the obligation on to the next generation.

3.3 Hybrid Approach: Please note that this is not a method, rather a way (approach) for us to utilize the Cash Flow Method, while ensuring the appropriate funding levels are achieved long-term. Our Hybrid Approach uses the projected fully funded balance at the end of the 20-year period from Table 4 as a funding goal. We then set up Cash Flow funding plans. Table 3 is your "where we are now" Cash Flow spreadsheet modeling your reserve balance and current contribution. Table 3.1 (and possibly others) provides alternative(s) to this that meet the fully funded goal from Table 4.

We usually establish a new Cash Flow contribution that requires only small annual inflationary increases to reach the fully funded goal at the end of the 20-year period. This has the added effect of establishing a funding plan that addresses inflation. The contribution in the first year, adjusted for inflation, is equal to the contribution in the last year, based on inflated dollars (future value of money). This approach will also allow underfunded Associations the time to catch up, mitigating undue hardships. It balances the risk of temporary underfunding with the benefit of consistent predictable increasing contributions. The combination of the Component and Cash Flow Methods (Hybrid Approach) provides the advantages of both methods.

4. TYPES OF RESERVE STUDIES

4.1 Full Reserve Study, Level I, the analyst develops a component inventory and condition assessment which is based upon on-site visual observations and is the basis for the estimated remaining-useful-life of the components as well as their replacement cost. This information is used to develop the Financial Analysis which includes the fund status and funding plan.

4.2 Full Update, With-Site-Visit, Level II, the analyst conducts an onsite verification of the component inventory included within the study being updated (not quantification) as well as performing a condition assessment), which is the basis for the estimated remaining-useful-life of the components and their replacement costs. This information is used to develop the Financial Plan which includes the fund status and funding plan.

4.3 Administrative Update, Level III, the analyst updates the remaining-useful-life of the components based on information provided by Management and not condition as a site visit is not performed. The replacement costs and other pertinent information are also updated. This information is used to develop the Financial Plan which includes the fund status and funding plan.

4.4 Residential and Commercial Development Services, before construction an analyst develops budget estimates based on design documents such as the architectural and engineering plans, and developer founding documents.

5. RESERVE PROGRAMMING

The Mason & Mason proprietary software used to produce the financial tables (Tables 1 through 4) have been under continual refinement for over a decade. It is unique in the industry as it provides comprehensive modeling through Microsoft Access and Excel that addresses the many challenges of reserve funding, allows analysts and clients to run “what if” scenarios, provides an easy to understand matrix of views and functions, and is easily provided to clients through e-mail.

5.1 Interest Income on Reserve Funds: Most Associations invest at least part of their reserve funds. Small Associations may simply use a savings account or certificates of deposit, while large Associations may have multiple investments with short-, medium-, and long-term instruments. One issue that is difficult to quantify is the percentage of funds invested. Some Associations invest a fairly substantial portion, while others hold back due to current cash outflow obligations. Some Associations do not reinvest the investment proceeds in their reserves; rather they divert the cash into their operations fund. We do not agree with this approach as it has the effect of requiring additional reserve contributions to make up for the difference. There is also the issue of changing rates over the 20-year period. In the recent past we have seen large swings in relatively short time periods. While reserve funds are not usually taxable by the IRS, the investment income generated by the reserve fund is taxable in most situations. Even with all these potential pitfalls, investment income still represents a substantial source of additional funds and for this reason should not be ignored. There is no way to make “one size fits all” with any accuracy for the individual Association. Our approach to this dilemma is to use lower approximations that compensate for less than 100% of funds invested. We feel this is still better than not recognizing it, and periodic updates allow for adjustments based on experience. The rate can be set at any level, including zero, for Associations desiring to not recognize interest. **The rate should reflect, as accurately as possible, the actual composite rate of return on all securities and other instruments of investment including allowances for taxes.**

The interest income displayed on Table 3 and Table 4 is the summation of the beginning reserve fund interest accrual and the interest earned on the contributions minus the interest lost by withdrawing the capital expenditures. This method of calculation, while not exact, approximates the averages of the three principal components of a reserve fund for each twelve-month period.

5.2 Future Replacement Costs (Inflation): Inflation is a fact of life. In order to replicate future financial conditions as accurately as possible, inflation on replacement costs should be recognized. The financial tables have been programmed to calculate inflation based upon a pre-determined rate. This rate can be set at any level, including zero. **A plan that does not include inflation is a 1-year plan, and any data beyond that first year will not reflect reality.**

5.3 Simultaneous Funding: This is a method of calculating funding for multiple replacement cycles of a single component over a period of time from the same starting date. Simple Example: Funding for a re-roofing project, while, at the same time, funding for a second, subsequent re-roofing project. This method serves a special purpose if multiple-phase projects are all near-term but will result in higher annual contribution requirements and leads to generational equity issues otherwise. We use this type of programming only in special circumstances.

5.4 Sequential Funding: This is a method of calculating funding for multiple replacement cycles of a single component over a period of time where each funding cycle begins when the previous cycle ends. Simple Example: Funding for the second re-roofing project begins after the completion of the initial re-roofing project. This method of funding appears to be fundamentally equitable. We use this type of programming except in special circumstances.

5.5 Normal Replacement: Components are scheduled for complete replacement at the end of their useful service lives. Simple Example: An entrance sign is generally replaced all at once.

5.6 Cyclic Replacement: Components are replaced in stages over a period of time. Simple Example: Deficient sidewalk panels are typically replaced individually as a small percentage, rather than the complete system.

5.7 Minor Components: A minimum component value is usually established for inclusion in the reserve fund. Components of insignificant value in relation to the scale of the Association should not be included and should be deferred to the operations budget. A small Association might exclude components with aggregate values less than \$1,000, while a large Association might exclude components with aggregate values of less than \$10,000. Including many small components tends to over complicate the plan and does not provide any relative value or utility.

5.8 Long Life Components: Almost all Associations have some components with long or very long useful service lives typically ranging between thirty and sixty years. Traditionally, this type of component has been ignored completely. Simple Example: Single replacement components such as entrance monuments should be programmed for full replacement at their statistical service life. This allows for all common property owners to pay their fair share during the time the component serves them. This also has the added effect of reducing the funding burden significantly as it is carried over many years.

5.9 Projected Useful Service Life: Useful service lives of components are established using construction industry standards and our local experience as a guideline. Useful service lives can vary greatly due to initial quality and installation, inappropriate materials, maintenance practices or lack thereof, environment, parts attrition, and obsolescence. By visual observation, the projected useful service life may be shortened or extended due to the present condition. The projected useful service life is not a mandate, but a guideline, for anticipating when a component will require replacement and how many years remain to fund it.

5.10 Generational Equity: As the term applies to reserves, it is the state of fairness between and over the generations relating to responsibility for assets you are utilizing during your time of ownership. It is neither reasonable, nor good business to defer current liabilities to future owners. This practice is not only unfair; it can also have a very negative impact on future property values.

6. UPDATING THE RESERVE FUND PLAN

A reserve fund plan should be periodically updated to remain a viable planning tool. Changing financial conditions and widely varying aging patterns of components dictate that revisions should be undertaken periodically from one to five years, depending upon the complexity of the common assets and the age of the community. Weather, which is unpredictable, plays a large part in the aging process.

Full Updates (Level II) include a site visit to observe current conditions. These updates include adjustments to the component inventory, replacement schedules, annual contributions, balances, replacement costs, inflation rates, and interest income.

We encourage Associations that are undergoing multiple simultaneous or sequential costly restoration projects (usually high-rise buildings) to perform Level III Administrative Updates. Administrative updates do not include a condition assessment. They are accomplished by comparing original projections with actual experience during the interim period as reported by Management. These updates can be performed annually and include adjustments to the replacement schedules, contributions, balances, replacement costs, inflation rates, and interest income. The Level III Administrative Update can be a cost-effective way of keeping current between Level II Full Update cycles. Full Updates (Level II) and Administrative Updates (Level III) help to ensure the integrity of the reserve fund plan.

7. PREVENTIVE MAINTENANCE

The following preventive maintenance practices are suggested to assist the Association in the development of a routine maintenance program. The recommendations are not to be considered the only maintenance required but should be included in an overall program. The development of a maintenance checklist and an annual condition survey will help extend the useful service lives of the Association's assets.

This section includes best maintenance practices or life-extension maintenance for many, but not necessarily all, components in the report. Items for which no maintenance is necessary, appropriate or beyond the purview of this report are not included in this section. We typically include them for townhomes and garden condominiums while mid- and high-rise buildings are generally too complex.

7.1 Asphalt Pavement: Pavement maintenance is the routine work performed to keep a pavement, subjected to normal traffic and the ordinary forces of nature, as close as possible to its as-constructed condition. Asphalt overlays may be used to correct both surface deficiencies and structural deficiencies. Surface deficiencies in asphalt pavement usually are corrected by thin resurfacing, but structural deficiencies require overlays designed on factors such as pavement properties and traffic loading. Any needed full-depth repairs and crack filling should be accomplished prior to overlaying. The edgemoil and overlay process includes milling the edges of the pavement at the concrete gutter and feathering the depth of cut toward the center of the drive lane. Milling around meter heads and utility features is sometimes required. The typical useful life for an asphalt overlay is twenty years.

7.2 Asphalt Seal Coating: The purpose is to seal and add new life to a roadway surface. It protects the existing pavement but does not add significant structural strength. A surface treatment can range from a single, light application of emulsified asphalt as a “fog” seal, to a multiple-surface course made up of alternate applications of asphalt and fine aggregate. Seal coating of all asphalt pavements should be performed at approximately six-year intervals, or approximately twice during the service life of the asphalt pavement. Seal coating more often is generally not cost-effective. The material used should be impervious to petroleum products and should be applied after crack filling, oil-spot cleaning, and full-depth repairs have been accomplished. Seal coating is a cost-effective way of extending the life of asphaltic concrete pavement. Seal coating is generally not scheduled for up to five years after an asphalt restoration project.

7.3 Asphalt Full-Depth Repairs: In areas where significant alligator cracking, potholes, or deflection of the pavement surface develops, the existing asphalt surface should be removed to the stone base course and the pavement section replaced with new asphalt. Generally, this type of failure is directly associated with the strength of the base course. When the pavement is first constructed, the stone base consists of a specific grain size distribution that provides strength and rigidity to the pavement section. Over time, the stone base course can become contaminated with fine-grained soil particles from the supporting soils beneath the base course. The most positive repair to such an area is to remove the contaminated base course and replace it with new base stone to the design depth. It is appropriate to perform these types of repairs immediately prior to asphalt restoration projects. Generally, this type of repair should not be required for approximately five years after an asphalt restoration project.

7.4 Asphalt Crack Filling: Cracks that develop throughout the life of the asphalt should be thoroughly cleaned of plant growth and debris (lanced) and then filled with a rubberized asphalt crack sealant. If the crack surfaces are not properly prepared, the sealant will not adhere. Crack filling should be accomplished every three to six years to prevent infiltration of water through the asphalt into the sub-grade, causing damage to the road base. It is appropriate to perform these types of repairs immediately prior to edgemoil and overlay. Generally, this type of repair should not be required for approximately five years after an edgemoil and overlay project.

7.5 Asphalt Footpaths: Transverse and longitudinal cracks should be cleaned of debris and plant growth (lanced) and filled with a rubberized asphaltic compound to prevent water infiltration. Cracks and deflection of the asphalt pavement can develop in the areas where tree roots cross the path. Tree roots should be removed, and damaged areas repaired. An additional maintenance issue with footpaths is vegetation control. In areas where vegetation encroaches on the paths, both underfoot and overhead, visibility is reduced, and personal injury can occur from low-growing branches. Vegetation control should be accomplished on a regular basis under the maintenance budget for safety considerations and to extend the useful service life of the pavement.

7.6 Concrete Sidewalks: When sidewalks are cracked or scaled or sections have settled, the resulting differential or “tripping hazard” can present a liability problem for the Association if personal injury should occur as a result. Tripping hazards should be repaired expeditiously to promote safety and prevent liability problems for the community. Generally, where practical and appropriate, concrete element repairs and replacements are scheduled in the same years to promote cost efficiencies. Replacements are usually scheduled in cycles because the necessity of full replacement at one time is unlikely. Typically, damaged or differentially settled sections can be removed by saw cutting or jack hammer and re-cast. Concrete milling of the differential surfaces is sometimes an appropriate, cost-effective alternative to re-casting. Skim coating is not an effective repair for scaled or settled concrete surfaces and, over time, will usually worsen the problem.

7.7 Street Signage: Metal perforated-post and pressure-treated wood post street signs generally require very little maintenance over their useful service life. Signage tends to fade due to environmental exposure. Cleaning of peeled paint, periodic cleaning of rust (metal posts) and repainting of wood and metal posts will maintain appearance. There is little that can be done with the signs except to replace them periodically. The wood components of entrance signs should be periodically cleaned of loose paint and repainted to maintain appearance. Out-of-plumb posts should be straightened and secured.

7.8 Wood Fence: Bare wood components, both non-treated and pressure-treated, generally will achieve a greater useful service life and improved appearance if preventative maintenance is performed. Periodic pressure washing and sealing with wood preservative is recommended on all wood components. Rough edges and splinters should be sanded prior to sealing. Damaged or deteriorated wood components should be replaced, as necessary. Generally, securing or repairing wood components with screws will provide a better fastening method than nails.

7.9 Tot Lot Equipment and Outdoor Furniture: Little maintenance is necessary on the newer style, pre-finished or painted metal play modules other than periodic safety inspections and repair, re-finishing, or replacement of any worn or damaged components. Bare wood components, both non-treated and pressure-treated, generally will achieve a greater useful service life and improved appearance if preventative maintenance is performed. Periodic pressure washing and sealing with wood preservative is recommended on all wood components. Rough edges and splinters should be sanded prior to sealing. Damaged or deteriorated wood components should be replaced, as necessary. Generally, securing or repairing wood components with screws will provide a better fastening method than nails. Tot lot equipment should be inspected frequently for loose components, rough edges, splinters and safety hazards. Tot lot borders should be leveled periodically, and protruding border anchors should be made flush with the timber surface.

7.10 Tree Trimming, Removal, and Replacement: As communities age, trees, both native and planted, may become problematic if periodic care is not accomplished. Trees may become damaged by weather or disease, or they may outsize their location. Proper, diligent tree trimming may alleviate future problems with regard to damage to adjacent structures. Proper tree trimming also helps maintain a healthy tree and may reduce windage in inclement weather. Proper tree trimming should not be confused with the common practice of topping, which produces, not only an unattractive tree, but also an unhealthy one due to weakening of the root structure. Tree root damage of asphalt footpaths and sidewalks is also a common problem. The best solution is re-routing the adjacent structure, if possible, to prevent future damage. If re-routing is not possible, tree roots causing the damage may be pruned back when replacement of the damaged component is accomplished. The practice of moderate mulching is beneficial for trees. However, repeated mulching against the tree trunk, year after year, without removal of the old mulch can eventually kill trees by trapping moisture against the bark, allowing fungi and insects to easily infiltrate the tree. Mulch should be placed around trees to the drip line but should not be touching the bark.

8. ASPHALT PAVEMENT REPORT

Alley Name	Total SY Asphalt Pavement	SY Full-Depth Repairs	Linear Footage Cracks
Phase 1			
Cordell	970	67	448
Keister	1,820	167	660
Roller	1,860	112	237
Heater	425	84	214
Working	425	89	192
Henop	730	12	50
Total Phase 1	6,230	531	1801
Phase 2			
Cuize	425	0	0
Eamich	540	0	0
Total Phase 2	965	0	0
TOTALS	1930	0	0

All quantities approximate

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE TABLE 1 EXPLANATION

This table lists the common assets included in the reserve fund plan and provides details of the replacement schedules. A narrative discussion is provided adjacent to each component. Photo references and maintenance protocol reference numbers are also provided. An explanation of each column in the table follows:

- Column 1 **Component No.** is consistent throughout all tables.
- Column 2 **Component** is a brief description of the component.
- Column 3 **Quantity** of the component studied, which may be an exact number, a rough estimate, or simply a (1) if the expenditure forecast is a lump sum allowance for replacement of an unquantified component.
- Column 4 **Unit of Measurement** used to quantify the component:
- SY = Square Yards
 - SF = Square Feet
 - LF = Linear Feet
 - EA = Each
 - LS = Lump Sum
 - PR = Pair
 - CY = Cubic Yards
- Column 5 **Unit Cost** used to calculate the required expenditure. This unit cost includes removal of existing components and installation of new components, including materials, labor, and overhead and profit for the contractor.
- Column 6 **Total Asset Base** is the total value of common assets included in the study in current dollars. In addition to capital assets, this figure includes one cycle of maintenance liability.
- Column 7 **Typical Service Life (Yrs) or Cycle** is the typical life expectancy of similar components in average conditions or the length of years between replacement cycles, and does not necessarily reflect the conditions observed during the field evaluation. This number is furnished for reference and is not necessarily computed in the system.
- Column 8 **1st Cycle Year** is the scheduled year of the first projected replacement or repair.
- Column 9 **Percentage of Replacement** is the percentage of component value to be replaced in the first replacement cycle.
- Column 10 **Cost for 1st Cycle** is the future cost (with inflation) of the replacement. It is the product of Column 6 times Column 9 in future dollars.
- Column 11 **2nd Cycle Year** is the scheduled year of the second projected replacement or repair. If a second cycle is not listed, it is because the first cycle is beyond the end of the study.
- Column 12 **Percentage of Replacement** is the percentage of component value to be replaced in the second replacement cycle. This can vary from the percentage of the first cycle for various reasons, such as the increased age of a component may require a larger amount of repair.
- Columns 13 **Cycles, Percentage, and Cost** repeat as itemized above. Although not shown on the tables, Through 16 the cycles continue throughout the study period and beyond.
- Column 18 **Discussion** is the description and observed condition of the component and the methodology employed in the decision-making process. Includes the photo reference, **(Photo #1, #2, etc.)** and Maintenance Protocol reference numbers **(7.1, 7.2 etc.)** if applicable.

The cells within these Excel spreadsheets contain proprietary code and are intended only for the client and its management. Unauthorized use of the formulas for other clients or other purposes is strictly forbidden and will be considered piracy.



Component No.	Component	Quantity	Unit of Measurement	Unit Cost	Total Asset Base	Typical Service or Cycle Life in Yrs	Percentage of Replacement	Cost For 1st Cycle	2nd Cycle Year	Percentage of Replacement	Cost For 2nd Cycle	3rd Cycle Year	Percentage of Replacement	Cost For 3rd Cycle
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DISCUSSION

1	ASPHALT COMPONENTS													
1.1	Asphalt Restoration Project - Phase 1	6,230	SY	\$12.50	\$77,875	20	100%	\$83,933	2045	100%	\$112,992			
1.2	Asphalt Restoration Project - Phase 2	965	SY	\$12.50	\$12,063	20	100%	\$16,246	2080	100%	\$21,882			
1.3	Asphalt Seal Coat	7,195	SY	\$1.25	\$8,994	5	14%	\$1,356	2020	100%	\$10,438	2035	100%	\$11,244
1.4	Asphalt Repair Allowance	1	LS	\$13,000.00	\$13,000	5	75%	\$10,504	2030	25%	\$3,172	2035	50%	\$8,127
1.5	Asphalt Footpaths	993	SY	\$37.00	\$36,371	15	2025	\$39,182	2040	100%	\$48,988	2055	100%	\$61,244

The pavement of Phase 1 was recently seal coated. Seal coating may help prevent water infiltration into the sub-base through micro-cracks, but is largely a cosmetic issue. To help improve curb appeal after repairs, we have scheduled seal coating projects every five years, except in the year of the pavement restoration project when it is not necessary. Crack filling and full-depth repairs should be completed prior to application to achieve maximum benefit from the seal coating. Seal coating projects include re-stripping. It should be understood that coal-tar based seal coating products have been banned from use in many localities throughout the country due to heavy contamination of ground water.

Approximately 531 square yards of alligator cracked or deflected pavement (indicative of sub-base damage), and about 1,801 linear feet of longitudinal or transverse cracking was observed. Repairs are essential in order to achieve the projected remaining service life of the pavement. Full-depth repairs and patching are scheduled throughout the study period, including the year of the asphalt restoration project. See the Asphalt Pavement Report, Section 8, for additional detail.

Asphalt footpaths generally 6 feet in width provide access along some public streets and connecting some sections of the community. The footpaths range from fair to continuing good condition with about 20% of the total area is exhibiting longitudinal and edge cracking. The footpath restoration project is scheduled to coincide with other concrete projects to promote cost efficiencies. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.

2 CONCRETE COMPONENTS

2.1	Concrete Sidewalks	7,278	SF	\$11.50	\$83,697	5	2024	\$2,665	2029	3%	\$2,871	2034	3%	\$3,093
2.2	Concrete Aprons	2,080	SF	\$13.50	\$28,080	10	2029	\$3,953	2039	12%	\$4,471	2049	12%	\$5,189

This category includes only sidewalks that are constructed on common areas and not the sidewalks adjacent to public streets. Concrete sidewalks throughout the community are generally 4' wide and are in continuing good condition with only minor transverse cracks observed. Their thickness could not be visually determined. Severely scaled sections will tend to deteriorate more quickly over time and should be replaced in each replacement cycle. Cyclic repairs are scheduled, as full replacement at one time is not appropriate or anticipated. Concrete repairs are scheduled to coincide with work on other concrete components including concrete restoration work. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.

Cast-in-place, split-on-grade concrete driveway aprons provide access to alleys. All aprons appear to be in continuing good condition with no cracks, spalls or other surface deficiencies observed. Concrete aprons are scheduled to coincide with other concrete components to promote cost efficiencies. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.

3 SITE FEATURES

3.1	Entrance Stone Bollards	300	SF	\$87.00	\$26,100	45	2052	\$42,029						
3.2	Entrance Vinyl Fencing	664	LF	\$26.00	\$17,264	25	2045	\$25,549						

The entrance is provided with six faux stone bollards with concrete caps. Four bollards are 3'-square and approximately 5' high and are in line with the vinyl fencing. Two bollards are approximately 4'-square and 7'-1/2" high with embedded cast stone community name signs. The left monument sign is missing part of the letter 'A'. The other sign, cast caps and faux stone and mortar of all bollards appears to be in generally continuing good condition with no deficiencies observed. With periodic maintenance to deterioration, the bollards should achieve a long service life.

Three-board, vinyl fencing mounted on PVC posts is constructed adjacent to both sides of the entrance, across a portion of the front adjacent to the Berlin Turnpike, and around the perimeter of the storm water pond. The fencing was recently replaced and is in excellent condition. Any localized missing boards should be replaced to achieve a full service life of the fencing. We have increased the service life over the previous wood fencing.

CALENDAR OF EXPENDITURES TABLE 2 EXPLANATION

This table is a yearly plan of action of replacements and costs. A description of the columns in the table follows:

- Column **1** **Year** is the year of the projected replacement and expenditure.
- Column **2** **Component No.** itemizes the components and is consistent throughout the tables.
- Column **3** **Component** is a brief description of the component.
- Column **4** **Present Cost** is the cost for the cycle in today's dollars.
- Column **5** **Future Cost (Inflated)** is the cost for the cycle in future dollars.
- Column **6** **Total Annual Expenditures** gives the total expenditures by year.
- Column **7** **Action** is an area provided for the Board to make notations as to action taken on each component.

Reserve Fund Plan for
NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION
 Lovettsville, Virginia

CALENDAR OF EXPENDITURES
TABLE 2
 2020 Through 2039



YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2020	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
1	2	3	4	5	6	7
2020	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,000	2020 TOTAL EXPENDITURES \$3,000	
2021	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,045	2021 TOTAL EXPENDITURES \$3,045	
2022	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,091	2022 TOTAL EXPENDITURES \$3,091	
2023	3.8	Storm Water Drainage System Allowance	\$13,000	\$13,594	2023 TOTAL EXPENDITURES	
	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,137	\$16,731	
2024	2.1	Concrete Sidewalks	\$2,511	\$2,665	2024 TOTAL EXPENDITURES	
	3.3	Street Signage	\$9,323	\$9,895	\$15,744	
	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,184		
2025	1.1	Asphalt Restoration Project - Phase 1	\$77,875	\$83,893	2025 TOTAL EXPENDITURES	
	1.3	Asphalt Seal Coat	\$1,259	\$1,356	\$85,152	
	1.4	Asphalt Repair Allowance	\$9,750	\$10,504		
	1.5	Asphalt Footpaths	\$36,371	\$39,182		
	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,232	\$138,167	
2026	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,280	2026 TOTAL EXPENDITURES \$3,280	
2027	3.4	Wood Components	\$4,000	\$4,439	2027 TOTAL EXPENDITURES	
	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,330	\$7,769	
2028	3.5	Tot Lot & Outdoor Furniture Allowance	\$44,000	\$49,566	2028 TOTAL EXPENDITURES	
	3.7	Pond Aeration Fountain	\$9,000	\$10,138	\$59,704	
	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,379	\$65,084	
2029	2.1	Concrete Sidewalks	\$2,511	\$2,671	2029 TOTAL EXPENDITURES	
	2.2	Concrete Aprons	\$3,370	\$3,653	\$6,324	
	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,430	\$10,154	
2030	1.3	Asphalt Seal Coat	\$8,994	\$10,438	2030 TOTAL EXPENDITURES	
	1.4	Asphalt Repair Allowance	\$3,250	\$3,772	\$14,210	
	3.8	Storm Water Drainage System Allowance	\$13,000	\$15,087	\$27,297	
	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,482	\$32,778	

Reserve Fund Plan for
NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION
 Lovettsville, Virginia

CALENDAR OF EXPENDITURES
TABLE 2
 2020 Through 2039



1	2	3	4	5	6	7
YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2020	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
2031	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,534	2031 \$3,534	TOTAL EXPENDITURES
2032	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,587	2032 \$3,587	TOTAL EXPENDITURES
	3.10	Flagpoles	\$7,200	\$8,608	2032 \$8,608	TOTAL EXPENDITURES
					2033 \$12,195	TOTAL EXPENDITURES
2033	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,641	2033 \$3,641	TOTAL EXPENDITURES
2034	2.1	Concrete Sidewalks	\$2,511	\$3,093	2034 \$3,093	TOTAL EXPENDITURES
	3.3	Street Signage	\$9,323	\$11,483	2034 \$11,483	TOTAL EXPENDITURES
	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,695	2034 \$3,695	TOTAL EXPENDITURES
					2035 \$16,271	TOTAL EXPENDITURES
2035	1.3	Asphalt Seal Coat	\$8,994	\$11,244	2035 \$11,244	TOTAL EXPENDITURES
	1.4	Asphalt Repair Allowance	\$6,500	\$8,127	2035 \$8,127	TOTAL EXPENDITURES
	3.6	Ponic Area	\$12,000	\$15,003	2035 \$15,003	TOTAL EXPENDITURES
	3.7	Pond Aeration Fountain	\$9,000	\$11,252	2035 \$11,252	TOTAL EXPENDITURES
	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,751	2035 \$3,751	TOTAL EXPENDITURES
					2036 \$48,376	TOTAL EXPENDITURES
2036	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,807	2036 \$3,807	TOTAL EXPENDITURES
2037	3.8	Storm Water Drainage System Allowance	\$13,000	\$16,744	2037 \$16,744	TOTAL EXPENDITURES
	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,864	2037 \$3,864	TOTAL EXPENDITURES
					2038 \$20,608	TOTAL EXPENDITURES
2038	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,922	2038 \$3,922	TOTAL EXPENDITURES
2039	2.1	Concrete Sidewalks	\$2,511	\$3,332	2039 \$3,332	TOTAL EXPENDITURES
	2.2	Concrete Aprons	\$3,370	\$4,471	2039 \$4,471	TOTAL EXPENDITURES
	3.9	Tree Removal & Replacement Allowance	\$3,000	\$3,981	2039 \$3,981	TOTAL EXPENDITURES
					2039 \$11,784	TOTAL EXPENDITURES

CURRENT FUNDING ANALYSIS CASH FLOW METHOD
TABLE 3.0 EXPLANATION
and, if applicable,
ALTERNATIVE FUNDING ANALYSIS CASH FLOW METHOD
TABLE 3.1, 3.2, 3.3 (etc.) EXPLANATION

Table 3.0 shows the financial picture over the twenty-year study period, using the current annual contribution and the reserve fund balance reported at the beginning of the study year. If the results of the study indicate a need to increase the annual contribution to maintain adequate balances throughout the study period, Table 3.1, and possibly, 3.2 will be provided for consideration. Alternatives might also be provided if a community is over-funded and desires to adjust the annual contribution downward.

Alternative funding may be achieved by increasing the annual contribution to a fixed yearly amount or by applying an annual escalation factor to increase contributions over time, or a combination of both methods. An inflation factor and interest income factor may be included in the calculations on this page.

A description of the columns in the table follows:

- Column 1 **Year**
- Column 2 **Total Asset Base** of all common capital assets included in the reserve fund with costs adjusted for inflation.
- Column 3 **Beginning Reserve Fund Balance** is the reserve fund balance after all activity in the prior year is completed.
- Column 4 **Annual Contribution**, on Table 3, is the amount contributed annually to the reserve fund as reported by the Board of Directors. On the Alternative Funding Analysis tables (3.1, 3.2, etc.), the annual contribution is projected to maintain positive balances throughout the study period.
- Column 5 **Interest Income**, which is indicated in the heading of the table, is applied to the reserve fund balance and is accrued monthly throughout each year after the yearly expenditures are deducted. The interest income percentage may be varied to reflect actual experience of the community investments.
- Column 6 **Capital Expenditures** are annual totals of expenditures for each year of the study period adjusted by the inflation percentage listed in the heading of the table.
- Column 7 **Ending Reserve Fund Balance** is the result of the beginning reserve fund balance plus the annual contribution, plus interest income, less capital expenditures for the year.
- Column 8 **Balance to Asset Base Ratio**, expressed as a percentage, is the ratio between the ending reserve fund balance and the total asset base for that year. The ratio is useful to the analysts in understanding general financial condition, but there is no standard ratio as each community's condition and complexity varies.

Reserve Fund Plan for
**NEW TOWN MEADOWS HOMEOWNERS
ASSOCIATION**
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**FUNDING ANALYSIS
CASH FLOW METHOD
HYBRID APPROACH**
TABLE 3



In Dollars
Beginning Reserve Fund Balance: **77,726**
Annual Contribution To Reserves: **30,465**
Contribution Percentage Increase: **0.52%**
Annual Inflation Factor: **1.50%**
Annual Interest Income Factor: **0.50%**

YEAR	TOTAL ASSET BASE	BEGINNING RESERVE FUND BALANCE	ANNUAL CONTRIBUTION	INTEREST INCOME	CAPITAL EXPENDITURES	ENDING RESERVE FUND BALANCE
1	2	3	4	5	6	7
2020	414,288	77,726	30,465	464	3,000	105,655
2021	420,503	105,655	30,622	604	3,045	133,837
2022	426,810	133,837	30,780	746	3,091	162,272
2023	433,212	162,272	30,939	852	16,731	177,332
2024	439,710	177,332	31,099	930	15,744	193,618
2025	446,306	193,618	31,260	681	138,167	87,391
2026	453,001	87,391	31,421	514	3,280	116,046
2027	459,796	116,046	31,583	646	7,769	140,507
2028	466,693	140,507	31,746	619	63,083	109,790
2029	473,693	109,790	31,910	609	10,154	132,155
2030	480,798	132,155	32,075	660	32,779	132,112
2031	488,010	132,112	32,241	740	3,534	161,559
2032	495,331	161,559	32,407	864	12,195	182,635
2033	502,761	182,635	32,575	994	3,641	212,563
2034	510,302	212,563	32,743	1,105	18,271	228,139
2035	517,956	228,139	32,912	1,099	49,377	212,773
2036	525,726	212,773	33,082	1,146	3,807	243,193
2037	533,612	243,193	33,253	1,253	20,608	257,091
2038	541,616	257,091	33,424	1,368	3,922	287,962
2039	549,740	287,962	33,597	1,502	11,784	311,277
STUDY PERIOD TOTALS			640,136	17,397	423,982	FULLY FUNDED BALANCE GOAL

FUNDING ANALYSIS COMPONENT METHOD TABLE 4 EXPLANATION

Table 4 is a yearly list of annual contributions toward each component, which must be made to achieve 100% funding. The reserve fund balance is the balance at the beginning of the study year. The beginning reserve fund balance is applied, proportionately, to each component prior to calculating the yearly contribution for each component. Future costs (inflation) are factored into the replacement cycles. The annual contribution for each year is calculated in the bottom row of the study labeled **Annual Component Contribution Totals**. Interest and inflation are calculated at the same annual rates as the Cash Flow Method (Table 3).

- Column 1 **Component Number** is consistent throughout the tables.
- Column 2 **Component** is a brief description of the component.
- Columns 3 - 22 **Years** lists the annual contribution amount toward each component throughout the twenty-year study period, which is totaled at the bottom of the component table.

COMPONENT METHOD SUMMARY

The component method summary computes the beginning reserve fund balance, the annual component contribution, the annual expenditures, and interest income. It then provides the ending reserve fund balance for each year of the study.



In Dollars

Beginning Reserve Fund Balance:
77,726

Component Number	COMPONENT	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
1 ASPHALT COMPONENTS																					
1.1	Asphalt Restoration Project- Phase 1	10,182	10,182	10,182	10,182	10,182	5,371	5,371	5,371	5,371	5,371	5,371	5,371	5,371	5,371	5,371	5,371	5,371	5,371	5,371	5,371
1.2	Asphalt Restoration Project- Phase 2	772	772	772	772	772	772	772	772	772	772	772	772	772	772	772	772	772	772	772	772
1.3	Asphalt Seal Coat	268	268	268	268	268	2,061	2,061	2,061	2,061	2,061	2,220	2,220	2,220	2,220	2,220	2,057	2,057	2,057	2,057	2,057
1.4	Asphalt Repair Allowance	1,884	1,884	1,884	1,884	1,884	745	745	745	745	745	1,605	1,605	1,605	1,605	1,605	2,075	2,075	2,075	2,075	2,075
1.5	Asphalt Footprints	5,292	5,292	5,292	5,292	5,292	3,144	3,144	3,144	3,144	3,144	3,144	3,144	3,144	3,144	3,144	3,144	3,144	3,144	3,144	3,144
2 CONCRETE COMPONENTS																					
2.1	Concrete Sidewalks	587	587	587	587	567	567	567	567	567	611	611	611	611	611	658	658	658	658	658	708
2.2	Concrete Aprons	395	395	395	395	395	395	395	395	395	436	436	436	436	436	436	436	436	436	436	436
3 SITE FEATURES																					
3.1	Entrance Stone Bolards	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012
3.2	Entrance Vinyl Fencing	940	940	940	940	940	940	940	940	940	940	940	940	940	940	940	940	940	940	940	940
3.3	Street Signage	1,653	1,653	1,653	1,653	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,299	1,299	1,299	1,299	1,299	1,299
3.4	Wood Components	406	406	406	406	406	406	406	284	284	284	284	284	284	284	284	284	284	284	284	284
3.5	Tot Lot & Outdoor Furniture Allowance	4,525	4,525	4,525	4,525	4,525	4,525	4,525	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977
3.6	Picnic Area	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	960	960	960	960	960
3.7	Pond Aeration Fountain	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,579	1,579	1,579	1,579	1,579	1,579	1,753	1,753	1,753	1,753	1,753	1,753
3.8	Storm Water Drainage System Allowance	3,101	3,101	3,101	2,117	2,117	2,117	2,117	2,117	2,117	2,117	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,608	2,608	2,608
3.9	Tree Removal & Replacement Allowance	4,404	3,082	3,129	3,175	3,223	3,271	3,321	3,370	3,421	3,472	3,524	3,577	3,631	3,685	3,741	3,797	3,854	3,911	3,970	4,030
3.10	Flagpoles	499	499	499	499	499	499	499	499	499	499	499	499	499	469	469	469	469	469	469	469
ANNUAL COMPONENT CONTRIBUTION TOTALS		37,991	36,689	36,716	35,778	35,273	29,016	29,066	28,993	28,833	28,989	30,273	30,326	30,350	30,404	30,686	31,354	31,411	31,726	31,785	31,966

COMPONENT METHOD SUMMARY		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	
BEGINNING RESERVE FUND BALANCE		77,726	113,210	147,500	181,964	202,020	222,657	114,701	141,140	163,150	129,796	149,340	147,665	175,279	194,395	222,214	235,826	219,070	247,857	260,303	289,557	
PLUS ANNUAL COMPONENT CONTRIBUTION		37,991	36,689	36,716	35,778	35,273	29,016	29,066	28,993	28,833	28,989	30,273	30,326	30,350	30,404	30,686	31,354	31,411	31,726	31,785	31,966	
CAPITAL EXPENDITURES		3,000	3,045	3,091	16,791	15,744	138,167	3,280	7,769	63,083	10,154	32,779	3,534	12,195	3,641	18,271	49,377	3,807	20,608	3,922	11,784	
SUBTOTAL		112,717	146,834	181,125	201,011	221,549	113,506	140,467	162,364	128,900	148,611	146,834	174,657	193,434	221,158	234,629	217,803	246,674	258,975	286,166	309,139	
PLUS INTEREST INCOME @ 0.50%		493	667	839	1,009	1,108	1,195	654	786	896	729	831	822	961	1,057	1,197	1,267	1,163	1,328	1,391	1,538	
FULLY FUNDED RESERVE FUND BALANCE		113,210	147,500	181,964	202,020	222,657	114,701	141,140	163,150	129,796	149,340	147,665	175,279	194,395	222,214	235,826	219,070	247,857	260,303	289,557	311,277	
PERCENT FUNDED FOR CURRENT CYCLE		54%																				
TOTAL EXPENDITURES		423,982																				
TOTAL CONTRIBUTIONS		637,985																				
STUDY PERIOD TOTAL INTEREST		19,948																				
AVERAGE ANNUAL CONTRIBUTION		31,879																				

**FULLY FUNDED
BALANCE GOAL**

**PHOTOGRAPHS
WITH
DESCRIPTIVE
NARRATIVES**



MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.



PHOTO #1

The asphalt alleys of Phase 1 are moderately cracked. Pavement maintenance was recently performed which included some crack filling and seal coating.



PHOTO #2

The Phase 2 pavements (Cuize and Eamich) alleys were restored this year and are in continuing good condition.



PHOTO #3

Keister Lane and other alleys are exhibiting moderate deflected pavement (indicative of sub-base damage). This may also be the result of heavy pavement loading from trash trucks. We have lowered the expected service life of these alleys, as they are not holding up as projected. Crack filling deflected pavement is an improper repair.



PHOTO #4

The asphalt footpaths are in generally fair condition. Some of the paths had received maintenance, such as crack filling. Other paths, such as this one along the park is exhibiting moderate edge cracking. We have scheduled all footpaths for restoration in about five years.



PHOTO #5

The concrete sidewalks and the alley aprons are in continuing good condition. Only minor hairline cracking was observed. Any tripping hazards should be mitigated to prevent personal injury.



PHOTO #6

The entrance monuments are in generally continuing good condition. No major deficiencies were observed. The monuments/signs should be cleaned, which would improve appearance.



PHOTO #7

The wood fencing was replaced with vinyl textured boards and PVC posts with caps. If properly cleaned and localized repairs are completed annually, the fencing should provide many years of service.



PHOTO #8

Informational signage ranges from fair to continuing good condition. Some signs will require replacement in about four or five years.



PHOTO #9

The pressure-treated wood bollards and the wood drainage timbers installed at each courtyard range from fair to continuing good condition. A few of the timbers are rotting, which require localized replacement.



PHOTO #10
A newer climbing structure was installed at the tot lot. The community should ensure that the mulch is deep and soft to absorb a fall from this play module.



PHOTO #11
An additional play module was installed in conjunction with the older play module. This newer play module includes a tube slide and a plastic climbing wall.



PHOTO #12
The picnic area pavers, grills, and picnic tables appear to be in continuing good condition.



PHOTO #13

We understand that the storm water retention pond fountain has been problematic over the years. We also understand that a new pump was recently installed. The pond appears to be in very good condition.



PHOTO #14

The detention ponds are also in continuing good condition. However, vegetation should be controlled/mowed.

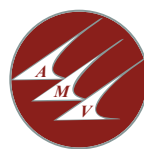


PHOTO #15

The flagpoles at the front entrance appear to be in continuing good condition.

New Town Meadows HOA

Appendix 14 § 55.1-2310.A.14.



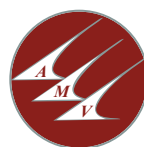
AMERICAN MANAGEMENT

OF VIRGINIA

A statement describing any insurance coverage provided by the association for the benefit of the owners, including fidelity coverage, and any other insurance coverage recommended or required to be obtained by the owners is required under § 55.1-2310.A.14. of the Resale Disclosure Act.

New Town Meadows HOA

Insurance Declaration Pages



AMERICAN MANAGEMENT

OF VIRGINIA



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/31/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER The Hilb Group of Maryland, LLC 3601 MacCorkle Ave, Ste 50 Charleston WV 25304		CONTACT NAME: Marisa Starr PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: marhab@hilbgroup.com
INSURED New Town Meadows Homeowners Association Inc 722 E Market St Ste 100 Leesburg VA 20176-4475		INSURER(S) AFFORDING COVERAGE INSURER A: Nationwide Assurance Company INSURER B: Continental Casualty Company INSURER C: INSURER D: INSURER E: INSURER F:
		NAIC # 10723 20443

COVERAGES **CERTIFICATE NUMBER:** 23-24 Master **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			ACPBP012453286520	06/01/2023	06/01/2024	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/>			ACPBP012453286520	06/01/2023	06/01/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input type="checkbox"/> N/A						<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	DIRECTOR'S & OFFICERS			0250926201	06/01/2023	06/01/2024	D&O LIMIT \$1,000,000 RETENTION/American \$1,000 Mgt as Addl Insd

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER American Management of Virginia	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>E. Paul Engle</i>
--	--

AGENCY CUSTOMER ID: _____

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY The Hilb Group of Maryland, LLC		NAMED INSURED New Town Meadows Homeowners Association Inc	
POLICY NUMBER ACBPB012453286520			
CARRIER Nationwide Assurance Company	NAIC CODE	EFFECTIVE DATE: 06/01/2023	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 **FORM TITLE:** Certificate of Liability Insurance: Notes

Employee Dishonesty - \$250,000 American Mgt as Addl Insd

Common Area Property – Total Insured Value \$132,300 Subject to \$500 Deductible

Areas Include: Fence, Fountain, Flag Pole, Tot Lot, etc.

Common Areas Coverage Includes:

Mechanical Breakdown

Inflation Guard

Wind/Hail

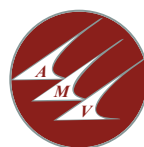
No Ord or Law

Separation of Insureds

15 Days notice of cancel for Non-Pay

New Town Meadows HOA

Appendix 17 § 55.1-2310.A.17.

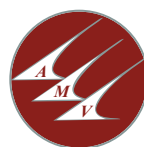


AMERICAN MANAGEMENT
OF VIRGINIA

A copy of any approved minutes of meetings of the board held during the last six months is required to be disclosed under § 55.1-2310.A.17. of the Resale Disclosure Act.

New Town Meadows HOA

Annual Meeting Minutes Approved



AMERICAN MANAGEMENT

OF VIRGINIA

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.

BOARD OF DIRECTORS ANNUAL MEETING MINUTES:

Wednesday, November 15th, 2023

Annual Meeting

Call to Order: Kris Zeigler called meeting to order at 7:12pm

Establishment of Quorum:

- a. Board Quorum present: Kris Zeigler, Haruka Tuna, Ashley Virts, Kyle Monarch, Jeni Spagnoli
- b. Others Present: Hailey Kinkade (American Management)
- c. NTM Residents: Greg Overkamp, Karen Cooper, Mark Jones, Chris Eubanks

Approval of 2022 Meeting minutes: Board to review and approve 2022 annual meeting minutes via email.

Officers Report:

President: Kris Zeigler – Snow Removal Contract signed, landscaping updates.

New Business: No new business

Election: 2 candidates selected for open seats on the Board of Directors. Kyle Monarch & Jeni Spagnoli to serve a three-year term. (2023 – 2026)

Resident Open Forum:

Chris Eubanks: Concerns regarding landscapers' maintenance of common ground in front of his property. Owner will let that grass grow out next spring to ensure that landscapers are maintaining the common area per the contract. Request that community map be updated to reflect Hoa common ground & pet waste stations ect.

Karen Cooper: Trash along keister trail is bad, it only gets worse during the winter winds. Trash relocations helped but doesn't solve complete issue.

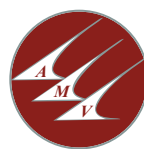
Greg Overkamp: No Comment, new to the community.

Meeting adjourned: 8:05pm Motioned by Haruka Tuna, Seconded by Jeni Spagnoli. Unanimous approval received.

Next Annual Meeting Date: November 13th, 2024

New Town Meadows HOA

Appendix 18 § 55.1-2310.A.18.



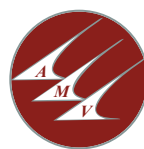
AMERICAN MANAGEMENT

OF VIRGINIA

A copy of any approved or draft minutes of the most recent association meeting is required to be disclosed under § 55.1-2310.A.18. of the Resale Disclosure Act.

New Town Meadows HOA

Regular Meeting Minutes Approved



AMERICAN MANAGEMENT

OF VIRGINIA

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.
3rd QUARTER BOARD OF DIRECTORS MEETING MINUTES
Wednesday, October 11, 2023

A. Establishment of Quorum

1. **Board Quorum present:** Kris Zeigler, Jeni Spagnoli, Harika Tuna, Kyle Monarch, Ashley Virts
2. **Others Present:** Hailey Kinkade
3. **NTM Residents:** none

B. Call to Order: 7:11 PM

C. Residents Open Forum: none

D. President's Report:

1. overseeding/aeration and mowing F+F completed
2. Keister tree replacement for broken trees
3. One dumpster moved by Keister for 7-11 trash

E. Vice President's Report:

1. Trailers moving back into hood
2. Yard sale a success

F. Secretary's Report

2nd quarter minutes approved: motion-Jeni, second-Kyle, unanimously approved

G. Old Business:

1. Ricki was told by contact Elizabeth that VDOT rep will not repair sidewalks saying it is HOA matter
 - dig up jurisdiction to see who must take care of broken sidewalk (likely HOA)
 - plan into budget
2. Oktoberfest was successful

H. New Business:

1. Item: Hailey to send out Annual Mtg notice (Hailey send out notice)
2. Terms: Jeni and Kyle up for re-election this year
3. Ricki get 3 giftcards Market Table, Coffee Shop, Mexican food gift cards
4. Hailey: AMM will skim algae from pond
5. Hailey: Refer people to Clickpay, accounting swept September late fees
6. Sidewalk repair request completed
7. Two wasps nests removed

I. Executive Session:

Regular adjourned 7:46, executive session entered

J. Adjournment:

Regular meeting reentered at 8:02 motion, adjournment by Ricki, Jeni 2nded, both times

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.

BOARD OF DIRECTORS MEETING MINUTES:

Wednesday, August 2, 2023

A. Establishment of Quorum:

1. Board Quorum members present: Kris Zeigler, Jeni Spagnoli, Harika Tuna, Kyle Monarch, Ashley Virts
2. Others Present: Ernie Lightfoot
3. NTM Residents: Roxana Horton, Tory Bracebridge, Weaver Family, John Wood, Harris Family

B. Call to Order: Kris Zeigler called the meeting to order at 7:08

C. Resident Open Forum

Harris: Does HOA inspect and send reminder notices for upkeep to residents?

Kris: Management does spring property inspections and sends letters then follows up with another inspection.

Ernie: The Management also inspects every time a house is up for sale. We are regularly inspecting and collecting trash in common areas.

Harris: On Lovett Dr. near common area, in the fall, leaves overwhelm the dry basin area and trash collects there

Ernie: Drain area cleaning and repair is scheduled to be completed by this Friday

Harris: In the fall the leaves that collect in the common area blow all over our newly raked/blown lawns.

Kris: In the fall our landscapers do one big leaf collection. Of course leaves fall again, and that is probably what blows on your lawn. We can ask landscaping to do spot cleaning. We will also ask Jorge to offer curbside leaf pick up at an additional cost for residents who are interested.

Roxanna: We have completed our power wash, weeding and mulching, yet we continue to get violation notices.

Ernie: Please write a letter/email attaching a photo of the completed work so we can log it and reinspect if need be.

Harris: 22 Houser needs sidewalk repair.

[Ernie will check it out.](#)

D. President's Report None

E. Vice President's Report None

G. Director's Report None

H. Property Manager's Report None

E. Secretary's Report

Approval of Last Board Meeting Minutes motioned by Kyle, and seconded by Jeni, approved unanimously with Kris amending the minutes to protect resident privacy

F. Old Business

1. **Landscaping:** Mass tree and bush trimming/ bush hogging will begin on Keister on Monday near the dry pond. Plan that Jose gave Kris has been published to Facebook.
2. **Family Day:** had a lower turn out due to heat. Jeni will suggest to Roberta to move it to the fall or at least later in the day.

G. New Business

1. **Vdot Tickets for pavements**

Ricki put in a new ticket for Stocks and areas around playground on 7/28

LCPS transportation connection

Ricki called Liz Kraatz in regards to children's safety in torn up sidewalk bus stop areas. Liz Kraatz will follow up with Vdot and if unsuccessful, will go through a personal connection in Vdot named Gill who will help expedite repairs. Liz called back on 8/2 and said that Vdot made the requested repairs. [Ricki will walk the neighborhood to check sidewalks on Stocks and around the playground. If unrepaired, she will follow up with Liz, who will escalate.](#)

Ernie noted that the Board of Supervisor Representatives can maybe help expedite sidewalk repairs. [Ricki and Board Members will call to ask for help](#)

2. Annual Yard Sale

Our yard sale will be held on September 30th this year.

Jeni will order new numbers to go on the yard sale sign since we cannot have the yard sale on the same day as Oktoberfest, which has moved up a week.

3. Community Newspaper Litter

Ernie noted that the free newspapers delivered each Thursday in our community end up as litter in our pond. Kyle wondered if there was a way for residents who didn't want this delivery to opt out of receiving the paper. Kyle, Jeni and Ashley all recall a link given to them by another resident (Erin?) so that they could opt out of receiving the paper. Board will revisit.

H. Next Meeting Dates

- a. Wednesday, October 11, 2023
- b. Annual Meeting: Wednesday, November 13, 2023

I. Executive Session

Entered Executive Session at 7:39 by motion on the part of Kris, seconded by Ricki. Unanimously approved. Violation Hearings.

Kris made a motion to go out of Executive Session at 8:13 pm, Ricki seconded, unanimously approved.

J. Adjournment

At 8:13 pm a motion for adjournment was made by Ricki. Jeni gave a 2nd, and the meeting was unanimously adjourned.

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.

BOARD OF DIRECTORS MEETING MINUTES:

Wednesday, April 19, 2023

A. Establishment of Quorum:

1. Board Quorum Members present: Kris Zeigler, Kyle Monarch, Harika Tuna, Ashley Virts
2. Others Present: Hailey Kinkade
3. NTM Residents: none

B. Call to Order: Kris Zeigler called the meeting to order at 7:04

C. Resident Open Forum none

D. President's Report

Common area near Keister Alley: clean up done, mulch will be refreshed, stumps ground, Keister alley overgrowth chopped flush with pavement

E. Vice President's Report None

G. Director's Report None

H. Property Manager's Report None

E. Secretary's Report

Approval of Last Board Meeting Minutes by Kris, and seconded by Kyle

F. Old Business

1. Annual Site Inspection dates / discussion on problem areas
[Site inspections start mid-April](#)
2. Landscaping quote for various tree removal and grounds maintenance
[Work completed](#)

G. New Business

1. Evergreen tree in common area needs repair
[Kris talked to Jose who will stake the evergreen to see if it can be saved](#)

2. Lovett fence near common area is broken around the pipe that drains into dry pond
Hailey will get a quote for repair
3. Hailey received an email from center of 26 Lovett Dr. expressing that the common area is not being maintained near that house
Hailey will reach out to our landscaping company to address this.
4. Kris noted that there is sometimes litter in the community that needs to be addressed. Can AMV provide maintenance for litter cleanup? Hailey will ask Ernie to add to regular schedule
5. Hailey noted that Ernie pulled a lot of trash from the pond. Kris noted that Ernie told him that an edge of the pond that is eroding must be rebuilt with a sloping pattern to prevent trash in the pond.
6. Dredging will be needed for sediment removal in the pond, but pond dredging may be affected by wildlife in the pond.
Kris offered that we should maybe dredge only berm area instead of whole pond
7. Roberta asked Kris for 399.00 for bounce house rental for Family Fun Day and noted that the rest has been donated or provided by the Mayor.
Funding request approved unanimously after motion by Ashley and 2nd by Kyle
8. A resident complained on the Facebook Group that her son was stalked by a man hidden in the overgrowth of the alleyway. Kris noted that the common area behind Keister needs trimming and maintenance all the way down to ballards to discourage anyone from hiding there.
Hailey will reach out to Scott and Jose to get a quote for this.
9. Kris noted that VDOT tickets are needed to repair broken sidewalks throughout the community, including 17 Stocks. Kyle noted that the LCPS buses stop at some of those areas needing repair. Ricki and Hailey will add Vdot tickets. Ricki will call LCPS Transportation to report about bus stop conditions and ask for priority repair push.
10. Hailey noted that caps have blown off new ballards.
Hailey will contact F+F to screw caps on
11. Continued Community Violations:
 - a. Back of 19 Stocks St. remains moldy green after citations. Hailey says: that we would need legal advice to proceed. We could have

legal contact to see if anyone lives there currently, to take them to court. Hailey will refer to legal.

- b. 20 Lovett Dr. continues to park trailers and sales-related non-resident owned cars
Hailey notes resident claims that he doesn't operate a business and that the vehicles are not his. Hailey has reached out to him several times and once talked to him for 40 minutes about the trailer—he said that the trailer was towed from the fire station where he had it stored. Hailey gave him advice about storage facilities. Kris notes that he is still parking the red truck with no VA tags that tows a smaller trailer, and he parks his big trailer by the post office. Kris requests legal letter sent to him.
- c. Kyle and Ricki note that the large camper is parked on Potterfield again.
Hailey says repeat violations deem necessary a hearing and will mail out
- d. Kris notes that 11 stocks still parks a trailer and has Christmas decorations up. 28 Tritapoe still has Christmas lights up, as well.
Hailey says repeat violations deem necessary a hearing and will mail out

H. Next Meeting Dates

- a. Board Meetings: Wednesday, August 2, Wednesday, October 11, 2023
- b. Annual Meeting: Wednesday, November 13, 2023

I. Executive Session

Entered Executive Session at 8:01 by motion on the part of Kris, seconded by Kyle. Unanimously approved. Items discussed: sponsorship of Mayfest at "friend" level. Board agreed to fund upon vote. Kris made a motion to go out of Executive Session at 8:14 pm. Kyle seconded the motion. Unanimously approved. The Executive Session ended at 8:14 pm and the Quarterly Board Meeting was reopened to officially vote on Mayfest sponsorship. Kris motioned, Kyle seconded and Sponsorship was unanimously adopted for the \$250 "friend" level

J. Adjournment

At 8:16 pm a motion for adjournment was made by Kyle. Ashley gave a 2nd, and the meeting was unanimously adjourned.

NEW TOWN MEADOWS HOMEOWNERS ASSOCIATION, INC.

BOARD OF DIRECTORS MEETING MINUTES:

Tuesday, February 7, 2023

A. Establishment of Quorum:

1. Board Quorum Members present: Kris Zeigler, Jeni Spagnoli, Kyle Monarch, Ashley Virts, Ricki Tuna
2. Others Present: None
3. NTM Residents: Roberta Shepherd

B. Call to Order: Kris Zeigler called the meeting to order at 7:08

C. Resident Open Forum Roberta: Working on Mayfest and Family Fun Day

D. President's Report

Met with Jose when re-trimming ballards (Kyle--will ballards be destroyed if plough goes through), and asked him to inspect, quote pruning back of common area spots

E. Vice President's Report

When will the streets need repaving/coating--ask mgmt to contact VDOT for info

G. Director's Report None

H. Property Manager's Report None

E. Secretary's Report

Approval of Last Board Meeting Minutes by Jeni, and seconded by Kyle

F. Old Business

1. Pond

- a. Sediment build-up in 2 key areas inhibits proper water drainage. **Tree removed to unlock outlet**
- b. Proposals for alternate month cleanings pending. **None, revisit**
- c. Possible future dredging needs consideration in Reserve Study--AMV to collect 3 proposals for dredging – **ask mgmt for next year**
- d. **Request a one-year early Reserve Study in 2024 to incorporate that expense**

2. Playground Repairs--completed

- a. Proposals by F and F Landscaping and Playground Patrol discussed **completed**

- b. Playground Patrol proposal favored with stipulation that plastic border will be used, mulch cost will be revised to \$4950, and a ramp will be included. **completed**

3. Family Fun Day

Budget of \$500 allotted

G. New Business

1. Tentative Description/Dates for Mayfest

- a. Mayfest—family-oriented, mix of adult/family, no liquor sold or promoted, but may byob
- b. May 27 9 am -7:30, followed by Movie on the Green

2. Next Meeting Dates

- a. Board Meetings: Wednesday, April 19, Wednesday, August 2, Wednesday, October 11, 2023
- b. Annual Meeting: Wednesday, November 15, 2023

3. Annual Site Inspection

- a. Jeni: June? March for 1st round, June for 2nd round
- b. Kris: holiday lights still up (Jeni says 60 day window, Kyle says 45 to remove temporary decor)
- c. Kris: would like running report of violations being addressed
- a. Ashley: suggests pre-inspection warning letter

4. Landscaping Quote

- a. Remove trees, including overhang on private property, in common area by Keister entrance (pruning-removing-grinding stubs, prep 2 mulch beds, weeding/cleaning and 20 yds mulch)
<https://drive.google.com/file/d/1NGaYpBKmU5EyTYlovf8CDYogGvSN4aKg/view?usp=sharing>
- b. Dead limb on fence—to be added to the proposal
- c. Vote on quote for landscaping prunings and tree removals motioned by Ricki, seconded by Kyle, unanimously approved, with Jeni originally holding exception to beautification thinning vs. safety prunings due to cost factors

H. Executive Session

Entered Executive Session at 7:32 pm by motion on the part of Kris, seconded by Ricki. Unanimously approved. Items discussed: building supplies on fronts of property (gravel pile, pallets of pavers) and incomplete ARC

application missing plats submitted for construction approval. **Awaiting management response for this and other violations' status.** Jeni made a motion to go out of Executive Session at 8:09 pm. Kyle seconded the motion. Unanimously approved. The Executive Session ended at 8:09 pm.

I. Adjournment

Ricki made a motion to adjourn the Board Meeting at 8:09, Jeni seconded, the Board unanimously agreed. The meeting adjourned at 8:09 pm.