

Covenants and Restrictions

THIS AMENDED DECLARATION, made this 16th day of October, 1980, by FOUR THIRTY SEVEN LAND COMPANY, INC., A Delaware corporation, hereinafter sometimes called "the Declarant:"

WITNESSETH

WHEREAS, Declarant has heretofore recorded a certain Declaration date April 2, 1980, which Declaration was recorded as Exhibit B to the Deed of Dedication and Subdivision and Deed of Conveyance for Section 1-A, COUNTRYSIDE, which Deed of Dedication and Subdivision and Deed of Conveyance is recorded in Deed Book 757 at page 702, among the land records of Loudoun County, Virginia; and

WHEREAS, the Declaration was incorporated by reference in the Deed of Dedication and Subdivision and Deed of Conveyance for Section 1-B, COUNTRYSIDE, as recorded in Deed Book 770 at page 138, among the aforesaid land records; and

WHEREAS, the Declarant desires to amend and re-record this Declaration, as more particularly set forth in this Amended Declaration, which Amended Declaration shall hereafter supercede and replace the Declaration dated April 2, 1980, and recorded as Exhibit B to the Deed of Dedication and Subdivision and Deed of Conveyance recorded in Deed Book 757 at page 702, among the aforesaid land records; and

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

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

WHEREAS, Declarant has caused to be incorporated under the laws of the State of Virginia, as a non-stock, not-for-profit, corporation, COUNTRYSIDE PROPRIETARY, for the purposes of exercising the functions aforesaid.

NOW, THEREFORE, Declarant does hereby declare that the real property described in Exhibit A attached to the Deed of Dedication and Subdivision recorded immediately prior hereto, shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, conditions, charter and liens (hereinafter referred to as "Covenants and Restrictions") herein set forth, which are for the purpose of protecting the value and desirability of, and shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" or Proprietary" shall mean and refer to COUNTRYSIDE PROPRIETARY, a Virginia nonstock, not-for-profit corporation, its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, in accordance with the terms of this Declaration.

Section 3. "Common Area" shall mean all real property (including the improvements thereto) owned by

the Association for the common use and enjoyment of the members of the Association and being initially composed of Parcels 1-A and 1-B, Section 1-A, and Parcels 1-D and 1-F, Section 1-B, CountrySide.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Property, but with the exception of the Common Area and areas dedicated as public streets.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarant" shall mean and refer to FOUR THIRTY SEVEN LAND COMPANY, INC., a Delaware corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development, and the owner of any other property which might be annexed under the provisions hereof; provided, however, that no successor or assignee of the Declarant shall have any rights or obligation of the Declarant hereunder unless such rights and obligations are specifically set forth in the instrument of succession or assignment or which pass by operation of law. The rights and obligations set forth herein of the Declarant, as Declarant, shall cease when new living unit construction contemplated by the Development Plan is substantially completed or after five years have lapsed since the filing of the last Supplementary Declaration.

Section 8. "Dwelling" shall mean and refer to any building or portion of a building situated upon The Property and designed and intended for use and occupancy as a residence.

Section 9. "Mortgagee," as used herein, means the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the lots. "Mortgage," as used herein, shall include deed of trust. "First Mortgage," as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgages. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, saving and loans associations, trusts, mutual savings, banks, credit unions, pension funds, mortgage companies. Federal National Mortgage Association ("FNMX"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government. As used in this Declaration the terms "holder" and "mortgagee" shall include the parties secured by any deed of trust or any beneficiary thereof.

Whenever in this Declaration any action is required to be taken by a specified percentage of "each class of the then members" of the Association, then such action shall be required to be taken separately by the specified percentage of the then outstanding members of each class of the Association. Whenever in this Declaration any action is required to be taken by a specified percentage of the "then members" of the Association, then such action shall be required to be taken by the specified percentage of the then outstanding cumulative membership of the Association.

Section 10. "Development Plan" shall mean and refer to the total general scheme of intended uses of land in the Properties approved by Loudoun County, as illustrated in Exhibit A hereof, as may be amended from time to time, and as further defined in Article 11.3.

Section 11. "Book of Resolutions" shall mean and refer to the document containing the rules and regulations and policies of the Association, as they may from time to time be amended.

Section 12. "Governing Documents" shall mean and refer to the Articles of Incorporation of the Proprietary, this Declaration, Supplementary Declarations, the By-Laws of the Proprietary and the Book of Resolutions, as such may be amended from time to time.

Section 13. "Living Unit" shall mean and refer to any portion of a structure situated upon the Property designed and intended for use and occupancy as a residence by a Single Family.

Section 14. "Multi-Family Rental Structure" shall mean and refer to a structure owned by a single entity with two or more Living Units under one roof.

Section 15. "Neighborhood District" shall mean and refer to a portion of the Properties which is a coherent and defined geographic area, containing more than one cluster, within which the Owners and Occupants by virtue of provisions contained in the Governing Documents, may share the enjoyment of certain services or rights of use which are not enjoyed by all Members.

Section 16. "Notice" shall mean and refer to written notice delivered personally or mailed to the last known address of the intended recipient.

Section 17. "Occupant" shall mean and refer to an occupant of a Living Unit who is the Owner or contract purchaser or lessee or sublessee who holds a written lease having an initial term of at least twelve (12) months.

Section 18. "Participating Builder" shall mean and refer to a person or entity which acquires a portion of the Property for the purpose of improving such portion in accordance with the Development Plan for resale to Owners.

Section 19. "Quorum of Members" shall mean and refer to the representation by presence or proxy of Members who hold fifty percent of the outstanding votes of each voting class.

Section 20. "Quorum of Owners" shall mean and refer to the representation by presence or proxy of Members who hold fifty (50) percent respectively of the outstanding Class A and Class D votes and the representation by presence or proxy of the Class C member so long as it shall exist.

Section 21. "Registered Notice" shall mean and refer to any Notice which has been signed for by a recipient or has been certified by the U.S. Postal Service

or other entity as having been delivered to the address of the intended recipient. Failure by refusal of an intended recipient to acknowledge such Notice shall nevertheless constitute receipt when such refusal is witnessed by two other people.

Section 22. "Single Family" shall mean and refer to a single house-keeping unit which includes not more than three adults who are legally unrelated.

Section 23. "Supplementary Declaration" shall mean and refer to any declaration of covenants, conditions and restrictions which may be recorded by the Declarant, which extends the provisions of this Declaration to a section of the Property or which contains such complementary provisions for such section as are deemed appropriate by the Declarant and as are herein required.

ARTICLE II

Section 1. Property Subject to Declaration. The real property which is, and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in Loudoun County, Commonwealth of Virginia, and is more particularly described as Lots One (1) through Sixty One (61), both inclusive, and Parcels 1-A and 1-B, Section 1-A, CountrySide, and Lots Sixty Two (62) through One Hundred Twenty Two (122), and Parcels 1-D and 1-F, Section 1-B, Countryside, and represents the first two stages of the Community to be known as Countryside.

Section 2. Additions.

(a) So long as there is a Class C member of the Association, additional property may be annexed to the above-described property without the consent of the Class A, Class B or Class D members of the Association, if any.

(b) Additional land, other than that described above, may be annexed to the Property upon approval of seventy-five (75%) of the votes of a Quorum of Owners.

(c) Any annexations made pursuant to this Article, or otherwise, shall be made by recording a Supplementary Declaration of Covenants and Restrictions among the Land Records for Loudoun County, Virginia, which Supplementary Declaration shall extend the scheme of the within Amended Declaration of Covenants and Restrictions to such annexed property. Such annexations need not be made by the Declarant; provided, however, that any such annexation accomplished by persons other than the Declarant shall have the consent of the Declarant.

So long as any lot is encumbered by a deed of trust or mortgage which is guaranteed by the Veterans Administration and/or the Federal Housing Administration, no annexation shall be made pursuant to this Article, or otherwise, except following a determination by the Veterans Administration and/or the Federal Housing Administration that the annexation conforms to a

general plan for the development of the community previously approved by the Veterans Administration and/or the Federal Housing Administration or, if no such general plan was approved by the Veterans Administration and/or the Federal Housing Administration, except following the prior written approval of the Veterans Administration and/or the Federal Housing Administration.

Section 3. The Development Plan.

Purpose. The Development Plan, illustrated in Exhibit A, is the dynamic design for the staged development of the Property as a Community, which will be regularly modified and amended, as provided herein, during the several years required to build the Community. Because the Development Plan is a temporary design, it shall not bind the Declarant to make any of the additions to the Property which are shown on the Development Plan or to improve any portion of such lands in accordance with the Development Plan unless and until a Supplementary Declaration is filed by the Declarant for such property which subjects it to this Declaration. Thereupon, the Declarant shall then be obligated to complete development of such property in accordance with the Development Plan currently in effect, unless seventy-five percent of the votes of a Quorum of Owners, Loudoun County and applicable federal mortgage agencies approve said change.

Amendments. The Declarant hereby reserves the right to add land to or amend the Development Plan for lands which have yet not been made subject to this Declaration, in response to changes in technological, economic, environmental or social conditions related to the development or marketing of the Property or to changes in requirements of government agencies and financial institutions.

Such amendments shall be effected by (1) giving Notice of the proposed changes to the Proprietary, (2) securing the approval of the Loudoun County Board of Supervisors and (3) securing approval of any applicable federal mortgage agencies.

Section 4. Merger.

In accordance with its Articles of Incorporation, the property, rights and obligations of the Proprietary may, by operation of law, be transferred to another surviving or consolidated association similar in corporate nature and purposes or, alternatively, the property, rights and obligations of an association similar in corporate nature and purposes may by operation of law be added to the property, rights and obligations of the Proprietary as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidations, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Property except as hereinafter provided. Such merger or consolidation shall have the assent of seventy-five percent of the votes of a Quorum of Owners.

ARTICLE III

COUNTRYSIDE PROPRIETARY

Section 1. Organization.

(a) **The Proprietary.** The Proprietary is a nonprofit non-stock corporation organized and existing under the laws of Virginia charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as such may be amended from time to time, provided no other Governing Documents than this Declaration shall for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

Institutional Plan. As the operating responsibilities of the Proprietary expand from those related to the Property as originally constituted to those required by the fully developed Community of CountrySide, this Declaration and the Governing Documents shall guide the controlled and orderly evolution of the Proprietary into a comprehensive community institution with two (2) major operating and administrative levels, each with associated membership rights and assessment obligations:

(1) **Neighborhood Level** refers to the administrative and operational activities construed to be of material benefit primarily to the Members of a Neighborhood District. A primary purpose of a Neighborhood District is to foster a sense of community at a neighborhood level by establishing an institutional identity at a scale less than is represented by the entire community. Neighborhood District boundaries shall be established by the Declarant and the Supplementary Declaration recorded for each section shall designate in which Neighborhood District the section is to be located. A Neighborhood District Council shall be established for each Neighborhood in accordance with the Bylaws to advise the Board of Directors on matters pertaining to such Neighborhood; a majority of the members of each Council shall be Class A members, unless otherwise provided in the Supplementary Declarations for a Neighborhood. The Neighborhoods are shown on the Development Plan, which is attached hereto as Exhibit A and previously made a part hereof by reference. The Property encompassed within Sections 1-A and 1-B, CountrySide, are in Neighborhood No. One (1).

(2) **Community Level** refers to the administrative and operational activities construed to be of material benefit to the Members at large without respect to the type or location of Living Unit in which they reside.

(c) **Subsidiary Corporation.** The Proprietary shall have the right to form one or more subsidiary corporations, for any purpose or purposes deemed appropriate by a majority vote of the Board of Directors. Without limiting the generality of the foregoing, one or more subsidiary corporations may be formed for the operation and maintenance of any specific area or to perform any function within the Property; however, such subsidiary corporation shall be subject to

this Declaration and may not take any action to lessen or abate the rights of the Members.

Section 2. Membership.

(a) **Basis.** Membership shall be appurtenant to the Lot or Living Unit giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except as provided in the Governing Documents.

(b) **Member's Rights and Duties.** Each member shall have the rights, duties and obligations set forth in the Governing Documents.

(c) **Voting Rights.** The Association shall have four (4) classes of membership:

Class A. Class A Members shall be all Owners except the Class C Members and Class D Members. Class A Members shall be entitled to one vote for each Lot owned.

Class B. Class B Members shall be all occupants of Living Units. Class B Members shall have no voting rights.

Class C. The Class C Member shall be the Declarant who shall have four thousand (4,000) votes, less the number of Class A and Class D votes outstanding at the time a vote is taken. The Class C membership shall cease upon the earlier of the following events: when the total number of Class A and Class D votes equals the total number of Class C votes or on December 31, 1995. Thereafter, the former Class C member shall have Class A or Class D membership rights for each Lot or unit which it may own.

Class D. Class D members shall be all owners of multi-family residential rental units located in CountrySide. Class D members shall be entitled to one (1) vote for each four (4) such multi-family residential units owned. The Class D membership shall cease and be converted to Class A membership upon the recordation of a condominium declaration, pursuant to the Virginia, Condominium Act, or subsequent legislation creating and permitting the condominium form of ownership. In no event shall the Class D votes exceed forty-nine percent (49%) of the total votes in the Proprietary.

(d) **Exercise of Vote.** The vote for any membership, which is held by more than one person may be exercised by any one of them, unless any objection or protest by any holder of such membership is made prior to the completion of a vote, in which case the vote for such membership shall not be counted. Any person or entity qualifying as a member of more than one voting class, may exercise those votes to which he is entitled for each such class of membership.

If less than twenty-five percent (25%) of the outstanding Class A votes are cast in an election for any Neighborhood Advisory Council, the Board of Directors

may declare the results of such election invalid and elect a Member to fill such office.

Section 3. Board of Directors.

Composition. The number of Directors shall be as provided in the By-Laws. The Declarant shall have the right to appoint Directors in accordance with the provisions of Section 2, Article VI of the By-Laws of CountrySide Proprietary, the remainder shall be selected as provided in the By-Laws; and elected Directors shall be Class A or Class D Members.

(b) **Extent of Power.** The Board of Directors shall have all powers for the conduct of the affairs of the Proprietary which are enabled by law or the Governing Documents, which are not specifically reserved to Members or the Declarant by said Documents.

(2) The Board of Directors shall exercise its powers in accordance with the Governing Documents.

(c) **Powers and Duties.** Without limiting the generality thereof, the Board shall have the power and obligation to perform the following duties:

Real and Personal Property. To acquire, own, hold, improve, maintain, manage, lease, pledge, convey, transfer or dedicate real or personal property for the benefit of the Members in connection with the affairs of the Proprietary, except the acquisition, mortgaging or disposal of Common Area and/or improvements shall be subject to the provisions of this Declaration.

Rule Making. To establish rules and regulations for the use of property, and to review, modify and approve architectural standards adopted by the Architectural Review Board; and

(3) **Assessments.** To fix, levy and collect assessments as provided herein; and

Easements. To grant and convey easements to the Common Area as may become necessary and as herein; and

Employment of Agents.

To employ, enter into contract with, delegate authority to and supervise such persons or entities as may be appropriate to manage, conduct and perform the business obligations and duties of the Proprietary and as provided in the Management Standards to be adopted by the Board of Directors; and

Mergers/Consolidations.

To participate in mergers and consolidations with other corporations as herein; and

Enforcement of Governing Documents.

To perform acts, as may be reasonably necessary or appropriate, including bringing suit, causing a lien to be foreclosed or suspending membership rights, to enforce or effectuate any of the provisions of the Governing Documents, subject to any appeal which may be filed and is pending.

ARTICLE IV

Section 1. Member's Right of Enjoyment.

Every member shall have a right and easement of enjoyment in and to the common areas and such easement shall be appurtenant to and shall pass with the fee title to every lot subject to the following.

(a) the right of the Association, in accordance with its Articles of Incorporation and By-Laws, and with the consent of two-thirds (2/3) of each class of the then members of the Association, voting separately, to borrow money for the purpose of improving the common areas in a manner designed to promote the enjoyment and welfare of the members and in aid thereof to mortgage any of the common areas and

(b) the right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosures; provided, however, that the same are in conformity with the other provisions of this Declaration; and

(c) the right of the Association to adopt reasonable rules respecting use of the common areas to reasonably limit the number of guests of members to the use of any facilities which are developed upon The Property; and

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

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

(f) the right of the Association, acting by and through its Board of Directors, to grant licenses, rights of way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances,

whether public or private, to any municipal agency, public utility, the Declarant or any other person; provided, however, that no such licenses, rights of way or easements shall be unreasonably and permanently inconsistent with the rights of the members to the use and enjoyment of the common areas; and

(g) the right of the Association, acting by and through its Board of Directors, to enter into agreements whereby the Association acquires leaseholds, membership or other possessory or use interests in real or personal property for the purpose of promoting the enjoyment, recreation or welfare of the members of the Association and to declare expenses incurred in connection therewith to be common expenses of the Association.

Section 2. Delegation of Right of Use.

Any member of the Association may delegate his rights to the use and enjoyment of the common areas to the members of his family who reside permanently with him and to his tenants, contract purchasers and guests, all subject to such reasonable rules and regulations which the Association may adopt and uniformly apply and enforce.

Section 3. Title to Common Area.

The Declarant may retain the legal title to areas designated as open space or recreational spaces in the Development Plan, or portions thereof. The Declarant hereby covenants that such open space or portions thereof that it may convey to the Proprietary as Common Area or to a governmental agency as parkland shall be free and clear of liens and financial encumbrances at the time of conveyance. Assessments may not be used to defray operating and maintenance costs of designated open space which has not been conveyed to the Proprietary.

In the event any open space in the Property which is not owned by the Proprietary is foreclosed upon, the Proprietary shall have a right of first refusal to purchase the open space for an amount not more than the outstanding obligation. If the open space is secured as part of an obligation on a larger tract of land, the holder shall separate the open space obligation based upon the ratio of a fair appraisal of the open space to fair appraisal of the larger tract. The open space appraisal shall take into consideration its limitation of development for commercial and residential use.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Annual Maintenance Assessments.

The Declarant hereby covenants and each person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who becomes a fee owner of a lot within the Property, by acceptance

of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay the Association, in advance, a monthly sum (herein elsewhere sometimes referred to as "maintenance assessments") equal to one-twelfth (1/12) of the member's proportionate share of the sum required by the Association, as estimated by its Board of Directors, to meet its annual expenses, including but in no way limited to the following:

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

(b) and the cost of necessary management and administration of the common areas and community facilities, including fees paid to any Management Agent;

(c) and the amount of all taxes and assessments levied against the common areas and community facilities; and

(d) the cost of liability insurance on the common areas and community facilities and the cost of such other insurance as the Association may effect with respect to the common areas; and

(e) the cost of utilities and other services which may be provided by the Association, whether for the common areas and community facilities or for the lots, or both; and

(f) the cost of maintaining, replacing, repairing, and landscaping the common areas, including, without limitation, maintenance of any storm water detention basins or the like located upon the common areas and the cost of the maintenance of all pathways upon the property, together with such equipment as the Board of Directors shall determine to be necessary and proper in connection therewith; and

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

(h) the cost of any leasehold, membership or other possessory or use interests in real or personal property arranged by the Association for the purpose of promoting the enjoyment, recreation or welfare of the members of the Association.

The Board of Directors shall determine the amount of the maintenance assessment annually. Upon resolution of the Board of Directors, installment of annual assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis hereinabove provided for. Any

member may prepay one or more installments on any annual maintenance assessment levied by the Association, without premium or penalty.

The Board of Directors shall prepare, or cause the preparation of an annual operating budget for the Association which shall provide, without limitation, for the management, operation and maintenance of the common areas. The Board of Directors of the Association shall make reasonable efforts to fix the amount of the annual maintenance assessment against each lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the lots and the annual maintenance assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner upon reasonable notice to the Board. Written notice of the annual maintenance assessments shall thereupon be sent to the members. The omission by the Board of Directors, before the expiration of any assessment period to fix the amount of the annual maintenance assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect or the provision of this Article or a release of any member from the obligation to pay the annual maintenance assessment, or any installment thereof, for that or any subsequent assessment period, but the annual maintenance assessment fixed for the preceding period shall continue until a new maintenance assessment is fixed. No member may exempt himself from liability for maintenance assessments by abandonment of any lot belonging to him or by the abandonment of his right to the use and enjoyment of the common areas and community facilities.

Except as may be specifically provided for herein, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the dwellings or their appurtenances and the responsibility and duties of the Association for maintenance and repairs shall be limited to the common areas and community facilities. The owner of any lot shall, at his own expense, maintain his lot and dwelling, and any and all appurtenances thereto, in good order, condition and repair and in a clean, sightly and sanitary condition at all times.

Section 2. Special Maintenance Assessment.

In addition to the regular maintenance assessments authorized by this Article, the Association may levy in any assessment year a special maintenance assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair or replacement of a described capital improvement located upon, or forming a part of the common areas and community facilities, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate; provided that any such assessment shall have the assent of the members representing two-thirds (2/3) of each class of the then members of the Association. A meeting of the members shall be duly called for this purpose.

Section 3. Reserves for Replacements.

The Association shall establish and maintain a reserve fund for replacements of the common areas and community facilities by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by any State or by any agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve for replacements of the common areas and community facilities may be expended only for the purpose of affecting the replacement of the common areas and community facilities, major repairs to any sidewalks, parking areas, streets, or roadways developed as a part of The Property, equipment replacement, and for start-up expenses and operating contingency of a nonrecurring nature relating to the common areas and community facilities. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of any member in any such reserves shall be considered an appurtenance of his lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the lot to which it appertains and shall be deemed to be transferred or otherwise separated from the lot to which it appertains and shall be deemed to be transferred with such lot.

Section 4. Annual Assessments.

shall consist of General and Neighborhood District Assessments.

(a) General Assessments.

(1) **Purpose.** The General Assessment shall be used exclusively to promote the health, safety and welfare of the Members and in particular to improve, maintain, and operate the Common Area and facilities, including funding of appropriate reserves for future repair and replacement, as set forth in Section 3 above.

(2) Basis for Assessment.

For General Assessment purposes, there shall be four (4) classes of Assessable Units, all of which shall be assessed at a uniform rate within each class:

Class I- All Living Units, except for multi-family rental residential units, which are or have been occupied by Single Family shall be assessed at one hundred percent (100%) of the General Assessment rate.

Class II: All Living Units upon which construction has been fully completed, but which have never been occupied, shall be assessed at twenty-five percent (25%) of the General Assessment rate commencing ten (10) days after completion of construction.

Class III: All lots which are not otherwise assessable under the Class I and Class 11 provisions above, or the Class IV provisions as hereinafter set forth, shall be deemed to be Class III lots or units, and until the lapse of Class C membership, as defined in Article 111, Section 2(c) above, Class III lots shall be subject to assessment by the Proprietary as follows: For such Class III lots the Declarant, commencing as of the date of the conveyance of the first lot to an Owner, shall pay to the Proprietary the pro-rata share of the annual sum budgeted for reserves for replacements for each Class III lot; and shall pay to the Proprietary all budgeted expenses of the Proprietary, to the extent that the same are not funded by the Annual Maintenance Assessments paid to the Proprietary. The pro-rata share of the annual sum budgeted for reserves for replacements shall be calculated quarterly, retroactively for each quarter. Declarant shall pay the sum determined to the reserve account for each lot owned by Declarant and subject to this Declaration, during each quarter or any part thereof.

Class IV. All multi-family rental residential units shall be assessed at twenty-five percent (25%) of the General Assessment rate.

(3) **Maximum.** Until the first day of the fiscal year following commencement of assessments, the maximum Annual General Assessment rate shall be One Hundred Twenty Dollars (\$120.00).

(b) Neighborhood District Assessments.

(1) **Purpose.** Neighborhood District Assessments shall be used for services which primarily benefit the Members of a Neighborhood District, as determined by the Board of Directors with the advice of the Neighborhood Advisory Council.

(2) **Basis.** The basis by which all Assessable Units shall be assessed within a Neighborhood District shall be the same as for the General Assessment.

(3) **Maximum.** Until the first day of the fiscal year following commencement of assessments, the maximum Neighborhood District Assessment for the Neighborhood in which Sections 1-A and 1-B, Countryside are located, shall be Two Hundred Forty Dollars (\$240.00).

Section 5. Increase in Maximum Annual Maintenance Assessment.

(a) from and after January 1, 1981, the maximum annual maintenance assessment and/or the maximum Neighborhood District Assessment hereinabove provided for, may be increased by the Board of Directors of the Association, without a vote of the Class A and Class D membership, by an amount equal to twelve percent (12%) of the maximum annual assessment and/or the maximum Neighborhood District Assessment for the preceding year, plus the amount by which any ad valorem real estate taxes and casualty and other insurance premiums payable by the Association have increased over amounts payable for the same or similar items for the previous year.

(b) from and after January 1, 1981, the maximum annual maintenance assessments and/or the maximum Neighborhood District Assessment hereinabove provided for may be increased above that established by the preceding paragraph by a vote of the members, as hereinafter provided, for the next succeeding year and, thereafter, at the end of such year, for each succeeding year. Any change made pursuant to this paragraph shall have the assent of two-thirds (2/3) of each class of the then voting members of the Association. A meeting of the members shall be duly called for this purpose.

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

Any assessment levied pursuant to this Declaration, and any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon and the cost of collection thereof, as hereinafter provided, become a continuing lien upon the lot or lots belonging to the member against whom such assessment is levied,

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

No suit or other proceeding may be brought to enforce or foreclose the lien evidenced herein after twenty-four (24) months from the date the assessment became due and owing. No suit or other proceeding may be brought to enforce or foreclose the lien except after ten (10) days' written notice to the member, given by Registered or Certified Mail - Return Receipt Requested, postage prepaid, to the address of the member shown on the roster of members maintained by the Association.

Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid within ten (10) days after it is due, may, upon resolution of the Board of Directors, bear interest at the rate of eight percent (8%) per annum, and the Association may bring an action at law against the member personally obligated to pay the same, or foreclose on the lien against the lot or lots then belonging to said member in the manner now or hereafter provided by law or, if no separate provision is made by law, then in the manner now or hereafter provided by law for the foreclosure of mortgages, deeds of trust or other liens on real property in the Commonwealth of Virginia containing a power of sale or consent to a decree, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs and reasonable

attorneys' fees as may be assessed by a Court of competent jurisdiction. Suit for any deficiency may be maintained in the same proceeding.

The Association shall notify the holder of the first mortgage on any lot for which any assessment levied

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

The Board of Directors may post a list of members who are delinquent in the payment of any assessments or other fees which may be due the Association, including any installment thereof, which becomes delinquent, in any prominent location upon The Property.

Section 7. Assessment Certificates.

The Association shall, upon written demand at any time, furnish to any

member liable for any assessment levied pursuant to this Declaration (or any other party legitimately interested in the same) a certificate in writing and in form sufficient for recordation signed by an officer of the Association, setting forth the status of said assessment, i.e., whether the same is paid or unpaid as to a particular lot. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. Failure of the Association to furnish or make available such a certificate within five (5) business days following the receipt of such a written request shall extinguish the right of the Association to claim the lien for such assessment provided by law and provided for in this Declaration, and a charge not to exceed Fifteen Dollars (\$15.00) may be levied in advance by the Association for each certificate so delivered.

Section 8. Subordination of the Lien to Mortgages.

The lien of the assessment provided for herein shall be subordinate to the lien of any first trust or mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments thereof which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Exempt Property.

The following property subject to this Declaration shall be exempt from the assessments created herein; (a) all properties dedicated to and accepted by a local public authority; (b) the Common Area; (c) all properties owned by charitable or other organizations exempt from taxation by the laws of the State

of Virginia. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 10. Date of Commencement of Annual Assessments: Due Dates.

The annual assessments provided for herein shall commence on the Lots subject to the Declaration on the first day of the month following the conveyance by the Declarant of the first Lot to an Owner, to be applied on a sectional basis. No Lot shall be subject to such assessment until the first day of the month following the conveyance of the first Lot in a Section to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

Section 11. Dissolution of Association.

In the event of dissolution of the Association, in accordance with the terms of its Articles of Incorporation, each Lot shall continue to be subject to the annual assessment specified in Section I of this Article, and each Owner shall continue to be personally obligated for such assessment, to the extent that such assessments are required to enable the grantee of the real property owned by the Association to properly maintain it. In no event, however, shall the assessment exceed the amount that would otherwise be payable to the Association in accordance with the provisions of Section 4 of this Article.

ARTICLE VI

Section 1. Design Review Committee.

Except for construction or development by, for or under contract with the Declarant, (including any new construction authorized and approved by the Declarant), and except for any improvements to any lot or to the common areas accomplished by the Declarant concurrently with said construction and development, and except for purposes of proper maintenance and repair, no building, fence, wall or other improvements or structures shall be commenced, directed, placed, moved, altered or maintained upon The Property, nor shall any exterior addition to or change (including any change of color) or other alteration thereupon be made until the complete plans and specifications showing the location, nature, shape, height, material, color, type of construction and any other proposed form of change (including, without limitation, any other information specified by the Design Review Committee) shall have been submitted to and approved in writing as to safety, harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the community by a Design Review Committee designated by the Board of Directors.

Section 2. Design Review Committee - Operation.

The Board of Directors shall appoint a Design Review Committee. The Design Review Committee shall be composed of three (3) or more natural persons designated from time to time by the Board of Directors, with one (1) member being from each Neighborhood in Countryside, it being the intent that all

Neighborhoods be represented equally on the Committee. Therefore, the number of members of this Committee shall always equal the number of Neighborhoods in which lots have been recorded and occupied. The affirmative vote of a majority of the members of the Design Review Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article.

Section 3. Approvals, etc.

Upon approval by the Design Review Committee or its designated Neighborhood Advisory Council, of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Committee, or its designated representative, fails to approve or disapprove any plans and specification which may be submitted to it pursuant to the provisions of this Article within sixty (60) days after such plans and specifications (and all other materials and information required by the Design Review Committee) have been submitted to it in writing, then approval will not be required and this Article will be deemed to have been fully complied with.

For all purposes of this Article, the Neighborhood Advisory Council is hereby designated and appointed to act on behalf of the Design Review Committee with regard to all actions required to be taken by the Design Review Committee in a respective neighborhood, provided however, that any Member aggrieved by a decision of the Neighborhood Advisory Council with-regard to design review shall have the automatic right to appeal such decision to the Design Review Committee, provided that such appeal is filed with the Design Review Committee within ten (10) days after the decision is reported by the Neighborhood Advisory Council.

Additionally, all actions of any Neighborhood Advisory Council with regard to design review shall be subject to review by the Design Review Committee, which shall have the right to rescind any approval granted by the Neighborhood Advisory Council, provided however, that such rescission shall be taken within fifteen (15) days after the decision is reported by the Neighborhood Advisory Council. The Neighborhood Advisory Council shall have the obligation to forward a complete report of all of its actions relating to design review to the Design Review Committee within seventy-two (72) hours after the action is taken by the Neighborhood Advisory Council. No decision of the Neighborhood Advisory Council with regard to design review shall be final until a period of fifteen (15) days shall have expired after the decision of the Neighborhood Advisory Council is reported to the Design Review Committee.

Section 4. Limitations.

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

Section 5. Rules and Regulations, etc.

The Design Review Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish and record such statements of policy, standards, guidelines and establish such criteria relative to architectural styles or details, fences, colors set backs, materials or other matters relative to architectural control and the environment, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration. The Design Review Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decisions of the Design Review Committee shall be final except that any member who is aggrieved by any action or forbearance from action by the Committee (or by any policy, standards or guidelines established by the Committee) may appeal the decision of the Design Review Committee to the Board of Directors and, upon the request of such member, shall be entitled to a hearing before the Board of Directors of the Association.

Section 6. Prohibited Uses and Nuisances.

Except for the activities of the Declarant during the construction or development of the community, or except with the prior written approval of the Board of Directors of the Association or the Design Review Committee, or as may be necessary in connection with reasonable and necessary repairs or maintenance to any dwelling or upon the common areas:

(a) no noxious or offensive trade or activity shall be carried on upon any lot or within any dwelling, nor shall anything be done therein or thereon, which may be or become an annoyance or nuisance to the neighborhood or other members. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any dwelling or upon the exterior of any other improvements.

(b) the maintenance, keeping, boarding or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited on any lot or within any dwelling, except that this shall not prohibit the keeping of dogs, cats or caged birds as domestic pets provided they are not kept, bred or maintained for commercial purposes and, provided further, that such domestic pets are not an annoyance or nuisance to the neighborhood or other members.

The Board of Directors or, upon resolution of the Board of Directors, the Design Review Committee, shall have the authority, after hearing, to determine whether a particular pet is a nuisance or a source of annoyance to other members, and such determination shall be conclusive. Pets shall be attended at all times and shall be registered, licensed and inoculated as may from time to time be required by law. Pets shall not be permitted upon the common areas unless accompanied by a responsible person and unless they are carried or leashed. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets as it may from time to time consider necessary or appropriate.

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

(d) except as herein elsewhere provided, no junk vehicle, trailer, camper, camp truck, house trailer, boat or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling and except for such equipment and machinery as the Association may require in connection with the maintenance and operation of the common areas and community facilities shall be kept upon The Property nor (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. The Association may, in the discretion of the Architectural Control Committee, provide and maintain a suitable area designated for the parking of such vehicles or the like.

(e) trash and garbage containers shall not be permitted to remain in public view except on days of trash collection. No incinerator shall be kept or maintained upon any lot. Garbage, trash and other refuse shall be placed in covered containers.

(f) no lot shall be divided or subdivided and no portion of any lot (other than the entire lot) shall be transferred or conveyed for any purpose. No portion of any dwelling (other than the entire dwelling) shall be leased. The provisions of this subsection shall not apply to the Declarant and, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right of way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, the Declarant or any other person for any purpose.

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

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

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

(j) no structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel, run, stable, outdoor clothes dryer, shed or other buildings shall be erected, used or maintained on any lot at any time.

(k) except for entrance signs, directional signs, signs for traffic control or safety, community "theme areas" and such promotional sign or signs as may be maintained by the Declarant or the Association, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any lot or dwelling, provided, however, that one sign not exceeding two (2) square feet in area and not illuminated may be attached to a dwelling where a professional office (as herein elsewhere in this Declaration defined) is maintained, and provided further, that one temporary real estate sign not exceeding six (6) square feet in area, may be erected upon any lot or attached to any dwelling placed upon the market for sale or rent. Any such temporary real estate sign shall be removed promptly following the sale or rental of such dwelling. The provisions and limitations of this subsection shall not apply to any institutional first mortgagee of any lot who comes into possession of the lot by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, assignment or deed in lieu of foreclosure.

(l) no structure, planting or other material shall be placed or permitted to remain upon any lot which may damage or interfere with any easement for the

installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction or flow of any drainage channels.

(m) no member shall make any private or exclusive or proprietary use of any of the common areas except with the specific approval of the Design Review Committee and then only on a temporary basis and no member shall engage or direct any employee of the Association on any private business of the member during the hours when such employee is employed by the Association, nor shall any member direct, supervise or in any manner attempt to assert control over any employee of the Association.

(n) no external short wave or citizens band antennae shall be permitted on any Lot or unit or any of the Property subjected hereto. No free-standing antennae towers of any kind shall be permitted on any of the Property subject hereto. All television and/or FM radio antenna must be physically attached to the structure and must comply with applicable standards and guidelines.

Section 7. Residential Use - Leasing.

All dwellings shall be used for private residential purposes exclusively, except that a professional office may be maintained in a dwelling, provided that such maintenance and use is limited to the person actually residing in the dwelling and, provided further, that such maintenance and use is in strict conformity with the provisions of any applicable zoning law, ordinance or regulation. As used in this Section the term "professional office" shall mean rooms used for office purposes by a member of any recognized profession, including doctors, dentists, lawyers, architects and the like, but not including medical or dental clinics. Nothing contained in this Article, or elsewhere in this Declaration, shall be construed to prohibit the Declarant from the use of any lot or dwelling for promotional or display purposes, or as "model homes," a sales office, or the like.

Section 8. Fences.

Any fence constructed upon the Property shall be either horizontal, rustic, unfinished split rail or vertical split sapling, or vertical board and shall not extend beyond the front building line of the dwelling on the lot upon which any such fence is erected or the front building line of the dwellings on all immediately adjacent lots. No fence shall be more than six (6) feet in height. Chain link and other wire fencing is specifically prohibited. The erection of all fences shall be subject to the provisions of this Article.

Section 9. Parking.

Parking upon the common areas may be regulated by the Board of Directors and parking spaces may initially be assigned by the Declarant and thereafter by the Board of Directors of the Association or by such Committee as the Board of Directors may designate for that purpose. In the event parking spaces upon the common areas are assigned as aforesaid, then no member shall make use of any parking space other than the space or spaces assigned to his lot by the

Board of Directors without the express written consent of both the owner of the lot to which such other space has been assigned and the Board of Directors of the Association, nor shall any member invite, encourage or permit the use by his guests of parking spaces assigned to lots other than his own. No vehicle belonging to any member, or to any guest or employee of any member, shall be parked in a manner which unreasonably interferes with or impedes ready vehicular access to any other parking space upon the common areas. Nothing shall be stored upon any of the parking areas nor shall the same be permitted to accumulate trash or debris. In the event the Board of Directors elects to assign parking spaces upon the common areas as herein provided for, then the Board of Directors may make reasonable efforts to assign parking spaces in a manner calculated to make reasonable adjustments to accommodate the elderly and the handicapped.

Section 10. House Rules, etc.

There shall be no violation of any rules for the use of the common areas and community facilities or "house rules" or other community rules and regulations not inconsistent with the provisions of this Declaration which may from time to time be adopted by the Board of Directors of the Association and promulgated among the membership by them in writing, and the Board of Directors is hereby and elsewhere in this Declaration authorized to adopt such rules.

Section 11. Enforcement - Right to Remove or Correct Violations.

In the event any violation or attempted violation of any of the covenants or restrictions contained in this Article shall occur or be maintained upon any lot, or in the event of any other conduct in violation of any of the provisions or requirements of this Article, then the same shall be considered to have been undertaken in violation of this Article and without the approval of the Design Review Committee required herein, and, upon written notice from the Design Review Committee, such violation shall be promptly removed or abated. In the event the same is not removed, or the violation is not otherwise terminated or abated, within fifteen (15) days (or such shorter period as may be required in any such notice) after notice of such violation is delivered to the owner of the lot upon which such violation exists, or to the member responsible for such violation if the same shall be committed or attempted on premises other than the lot owned by such member, then the Association shall have the right, through its agents and employees (but only after a resolution of the Design Review Committee) to enter upon such lot and to take such steps as may be necessary to remove or otherwise terminate or abate such violation and the cost thereof may be assessed against the lot upon which such violation occurred and when so assessed, a statement for the amount thereof shall be rendered to the owner of said lot at which time the assessment shall become due and payable and a continuing lien upon such lot, and a binding personal obligation of the owner of such lot, in all respects (and subject to the same limitations) as provided in Article V of this Declaration. The Association shall have the further right, through its agents, employees or committees, to enter upon and inspect any lot at any reasonable time for the purpose of ascertaining

whether any violation of the provisions or requirements of this Declaration, exist on such lot; and neither the Association nor any such agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

ARTICLE VII

COMMON DRIVEWAYS

Section 1. Definitions.

(a) "Common Driveways" shall be the areas within the Ingress and Egress Easements as shown on the plats attached to the Deeds of Dedication and Subdivision for any Section of CountrySide or as may be subsequently established by Declarant.

(b) "Affected Lots" shall be the Lots encumbered by and/or served by a Common Driveway.

Section 2. Restrictions.

(a) Common Driveways shall be used for the purpose of ingress and egress to the Affected Lots served by the individual Ingress and Egress Easements, for governmental and other emergency vehicle ingress and egress, and for construction and maintenance of utilities.

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

(c) there shall be no parking within a Common Driveway at any time except for delivery and/or emergency vehicles, unless all Owners of Affected Lots pertaining thereto shall agree upon other parking limitations.

Section 3. Damage or Destruction.

In the event that any Common Driveway is damaged or destroyed (including deterioration from ordinary wear and tear and lapse of time):

(a) through the act of Member or any of his agents or guests or members of his family (whether or not such act is negligent or otherwise culpable), it shall be the obligation of such Member to rebuild and repair the Common Driveway without cost to the other Owners of Affected Lots for that Driveway.

(b) other than through the act of Member, his agents, guests or family, it shall be the obligation of all Owners of Affected Lots for that Common Driveway to rebuild and repair such Common Driveway at their joint and equal expense. To this end, the Maintenance Escrow shall be utilized.

Section 4. Maintenance Escrow.

(a) For the purpose of meeting the cost of rebuilding and repairing a Common Driveway, each Affected Lot shall be subject to a maximum annual charge computed as follows: \$0.05 multiplied by the number of square feet of paved area within the pertinent Common Driveway divided by the number of Affected Lots for that Common Driveway. This maximum annual charge may be raised by five percent (5%) each fiscal year by the Proprietary.

(b) This annual charge shall be paid with and be a part of the first monthly payment of the regular assessment in each fiscal year, and shall be subject to the same penalty, interest, lien and other provisions as the regular assessment.

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

(d) The escrowed funds will be disbursed at the request of a majority of the Owners of the Affected Lots served by a Common Driveway. If escrowed funds are not adequate to pay all costs of rebuilding and repair, all affected Owners shall equally pay the excess costs.

(e) If the Owners of Affected Lots do not perform all necessary rebuilding and repairs to any Common Driveway, the Proprietary may do so as their agent, using the funds escrowed for the Common Driveway.

ARTICLE VIII

Section 1. Management Agent.

The Board of Directors may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. The Management Agent shall perform such duties and services as the Board of Directors shall authorize in writing.

Any management agreement entered into by the Association shall provide inter alia, that such agreement may be terminated, with or without cause and without the payment of any penalty or termination fee, by either party upon ninety (90) days' written notice thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods.

Section 2. Limitation of Liability.

The Association shall not be liable to any member for loss or damage, by theft or otherwise, of article which may be stored upon the common areas or community facilities. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common

areas or community facilities, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE IX

Section 1. Reservation of Easement Rights by the Declarant.

The Declarant hereby reserves a non-exclusive easement and right of way in, through, over and across the common areas and community facilities for the purpose of the storage of building supplies and materials, the installation, construction, maintenance, reconstruction and repair of sanitary sewer lines, water lines, cables, storm drains and appurtenances to any of the same, and for all other purposes reasonably related to the completion of construction and the provisions of utility services, whether public or private, to the community and to other property adjacent to, or in the vicinity of, the community. Any and all instruments of conveyancing made by the Declarant to the Association with respect to any of the common areas and community facilities shall be conclusively deemed to incorporate this reservation, whether or not specifically set forth in such instruments. At the request in writing of the Declarant, the Association shall from time to time execute, acknowledge and deliver to the Declarant such further assurances of this reservation as may be necessary.

Section 2. Easements for Utilities and Related Purposes.

The Association is authorized and empowered to grant (and shall from time to time grant) such other licenses, easements and rights of way over the common areas and community facilities for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, cables, underground conduits and such other purposes related to the provisions of utility services to the community as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the common areas and community facilities and for the preservation of the health, safety, convenience and welfare of the owners of the lots or the Declarant.

Section 3. Declarant's Easement to Correct Drainage.

For a period of two years from the date of conveyance of each Lot, the Declarant reserves an easement and right on, over and under the ground within that Lot to maintain and to correct the grading and drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which the Declarant shall restore the affected property to its original condition as near as practicable. The Declarant shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice.

Section 4. Snow Removal.

All owners shall have the obligation to clear any snow or ice from sidewalks or trails located on their property, which sidewalk or trail lies within a trail or sidewalk easement granted to the Proprietary, as soon as reasonably possible after snowfall or storm causing the accumulation of snow and/or ice. In the event that any owner fails to remove such snow and/or ice in a timely manner, the Proprietary shall have the right to go upon the property and remove the snow and ice, and the reasonable cost thereof, as incurred by the Proprietary, shall be charged against the defaulting member as an additional assessment pursuant to Article V hereof.

ARTICLE X

Section 1. Amendment.

Subject to the other limitations set forth in this Declaration, prior to the lapse of all of the Class C memberships in the Association, as in Article III provided, this Declaration may be amended only by an instrument executed and acknowledged by two-thirds (2/3) of each voting class of the then members of the Association, if any, and by the Declarant, which instrument shall be recorded among the Land Records for the jurisdiction in which this Declaration is recorded. Subject to the other limitations set forth in this Declaration, following the lapse of all of the Class C memberships in the Association, as in Article III provided, this Declaration may be amended by an instrument executed and acknowledged by a majority of each class of the then members of the Association, which instrument shall be recorded among the Land Records for the jurisdiction in which this Declaration is recorded. Unless a later date is specified in any such instrument, any amendment to this Declaration shall become effective on the date of recording.

Section 2. Duration.

Unless amended in accordance with the provisions of Section 1 of this Article and the other requirements of this Declaration, and except where permanent easements or other permanent rights or interests are herein created, the covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the owner of any lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date of recordation of this Declaration, after which the said covenants shall be automatically extended for successive period of ten (10) years each.

. Section 3. Construction and Enforcement.

The provisions hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of the community. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenants or restriction, either to restrain or enjoin violation or to recover

damages or both, and against any lot to enforce the lien created hereby; and the failure or forbearance by the Association or the owner of any lot to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

The provisions hereof may be enforced, without limitation, by the Declarant, by the Association, by any owner or any mortgagee of any lot which becomes subject to the provisions hereof and by any other person, firm, corporation or other legal entity who has any right to the use of any of the common areas and community facilities owned by the Association.

There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants or restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

Section 4. Successors of Declarant.

Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Declarant, with or without notice to the Association.

Section 5. Incorporation by Reference on Resale.

In the event any owners sells or otherwise transfers any lot, any deed purporting to effect such transfer shall contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration.

Section 6. Notices.

Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postpaid, to the last known address of the person who appears as member or owner on the records of the Association at the time of such mailing.

Section 7. No Dedication to Public Use.

Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any common areas or community facility by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the common areas or community facilities.

Section 8. Severability.

Invalidation of any one of these covenants or restrictions by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

Section 9. Consents.

Any other provision of this Declaration to the contrary notwithstanding, neither the members, the Board of Directors nor the Association shall, by act or omission, take any of the following actions without the prior written consent and approval of the institutional holders of all first mortgages of record on the lots:

- (a) abandon, partition, subdivide, encumber, sell or transfer any of the common areas and community facilities; provided, however, that the granting of rights of way, easements and the like for public utilities or for other purposes consistent with the use of the common areas and community facilities by the members of the Association shall not be considered a transfer within the meaning of this Section; or
- (b) abandon or terminate this Declaration; or
- (c) modify the method of determining and collecting common expense assessments or other assessments as provided for in this Declaration; or
- (d) fail or maintain fire and extended coverage insurance on insurable common areas and community facilities on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value of such common areas and community facilities, based upon current replacement cost; or
- (e) resolve to use the proceeds of casualty insurance for any purpose other than the repair, replacement or reconstruction of the common areas and community facilities; or
- (f) modify or amend any material or substantive provision of this Declaration or the By-Laws of the Association.

Section 10. Consent of Veterans Administration and/or Federal Housing Administration.

Provided that any lot in the project is then encumbered by a deed of trust or mortgage which is guaranteed by the Veterans Administration and/or the Federal Housing Administration and, provided further, that there are then Class C memberships of the Association outstanding, neither the members, the Board of Directors nor the Association shall, by act or omission, take any of the following actions without the prior written consent and approval of the Veterans Administration and/or the Federal Housing Administration:

- (a) abandon, partition, subdivide, encumber, sell or transfer any of the common areas and community facilities; provided, however, that the granting of rights of way, easements and the like for public utilities or for other purposes consistent with the use of the common areas and community facilities by the members of the Association shall not be considered a transfer within the meaning of this Section; or abandon or terminate this Declaration; or

(c) modify or amend any material or substantive provision of this Declaration or the By-Laws of the

Association.

Section 11. Additional Rights of Mortgages - Notice.

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

No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to this Declaration except after (10) days' written notice to the holder of the first mortgage on the lot which is the subject matter of such suit or proceeding.

Any institutional first mortgagee of any lot upon The Property may pay any taxes, utility charges or other charge levied against the common areas and community facilities which are in default and which may or have become a charge or lien against any of the common areas and community facilities and any such institutional first mortgagee may pay and overdue premiums on any hazard insurance policy or secure new hazard insurance coverage on the lapse of any policy, with respect to the common areas and community facilities. Any first mortgagee who advances any such payment shall be due immediate reimbursement of the amount so advanced from the Association.

Section 12. Casualty Losses.

In the event of substantial damage or destruction to any of the common areas or community facilities, the Board of Directors of the Association shall give prompt written notice of such damage or destruction to the holders of all first mortgages of record on the lots. No provision of this Declaration or the By-Laws of the Association shall entitle any member to any priority over the holder of any first mortgage or record on his lot with respect to the distribution to such member of any insurance proceeds paid or payable on account of any damage or destruction of any of the common areas or community facilities.

Section 13. Condemnation or Eminent Domain.

In the event any part of the common areas and community facilities is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board of Directors of the Association shall give prompt written notice of any such proceeding or proposed acquisition to the holders of all first mortgages of

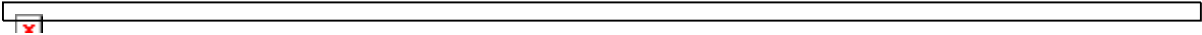
record on the lots. No provision of this Declaration or the By-Laws of the Association shall entitle any member to any priority over the holder of any first mortgage of record on his lot with respect to the distribution to such member of the proceeds of any condemnation or settlement relating to a taking of any of the common areas and community facilities.

Section 14. Captions and Gender.

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

WITNESS the following signatures and seals:

FOUR THIRTY SEVEN LAND COMPANY, INC.

A horizontal line with a small redacted box at the left end, indicating a signature or seal.