



**Disclosure Packet
for
Deacon Hill Estates
Homeowners' Association**

**Prepared By:
Deacon Hill Estates HOA
P.O. Box 9064
Fredericksburg, VA 22403**

Updated February 2015

ASSOCIATION DISCLOSURE PACKET NOTICE

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, and rules and regulations. 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 selections of members of the Board 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.

The name of your association is: **Deacon Hill Estates HOA**

Lot number and/or address: _____

Assessments and/or Mandatory Fees you are responsible for:

2012 Assessments:	\$600/year, payable in four quarterly installments of \$150
2012 Special Assessments:	None
Other Entity or Facility:	None
Other Fees:	\$150 Working Capital Contribution and \$100 Buyer Transfer Fee

Failure to pay any of the above Assessments and/or Mandatory Fees may result in nonjudicial foreclosure on your property or the following:

A late fee is added to the account if it is not paid in full within 10 days of the due date. Continued delinquency will be turned over to the Association's attorney for collection. Lien fees and all legal costs will be added to your account. The property can be foreclosed on if fees remain unpaid after being turned over for legal collection.

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. A LIST OF THOSE DOCUMENTS YOU ARE ENTITLED TO RECEIVE IN ACCORDANCE WITH THE PROPERTY OWNERS' ASSOCIATION ACT IS PRINTED ON THE NEXT PAGE OF THIS NOTICE.

Recipient Name (Print)

Recipient Signature

Date

**The following is a list of documents you are entitled to receive in accordance with the
Property Owner's Association Act**

1. The name of your association, and if incorporated, the state of incorporation, name and address of the registered agent;
2. A statement of any approved expenditures that shall require an additional assessment during the current year to the immediately succeeding fiscal year;
3. A statement of all assessments and other mandatory fees currently imposed by the association;
4. A statement whether there is any other entity or facility to which the lot owner may be liable for fees or charges;
5. A current reserve study report (or a summary thereof), a statement of the status and amount of any reserve or replacement fund and any portion of the fund allocated by the Board for a specified project;
6. A copy of the association's current budget (or a summary thereof) and a copy of its statement of income and expenses or financial condition for the last fiscal year available; including a statement of the balance due of any outstanding loans of the association;
7. A statement of the nature and status of any pending suit or unpaid judgment to which the association is a party which either could or would have a material impact on the association or which relates to the lot being purchased;
8. A statement setting forth what insurance coverage is provided for all lot owners by the association, including any fidelity bond maintained by the association, and what additional insurance would normally be secured by each individual lot owner;
9. A statement that any improvement or alteration made to the lot, or uses made of the lot or common area assigned thereto by the prior lot owner, are not in violation of any of the instruments referred to in this disclosure notice;
10. A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to place a sign on the owner's lot advertising the lot for sale;
11. A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to display any flag on the owner's lot, including, but not limited to reasonable restrictions as to the size, place, and manner of placement or display of such flag and the installation of any flagpole or similar structure necessary to display such flag;
12. A copy of the current declaration, the association's articles of incorporation and bylaws, and any rules and regulations or architectural guidelines adopted by the association;
13. A copy of notice given to the lot owner by the association of any current or pending rule or architectural violation;
14. A copy of the fully completed one-page cover sheet developed by the Real Estate Board pursuant to section 54.1-2105.1; and
15. Certification, if applicable, that the association has filed with the Real Estate Board the annual report required by section 55-516.1 of the Code of Virginia; which certification shall indicate the filing number assigned by the Real Estate Board and the expiration date of such filing.

ATTENTION

SELLERS AND BUYERS

We have recently received a request for a disclosure packet. If your house does go to settlement, please instruct the settlement attorney or agent to send Deacon Hill Estates HOA a copy of your HUD-1 Settlement Statement.

This information is **required** to change ownership of the property in your Association records.

Sellers will continue to be billed for assessments if the Association is not officially notified of the sale by providing the Association with a copy of the HUD-1 Settlement Statement.

Deacon Hill Estates HOA
P.O. Box 9064
Fredericksburg, VA 22403

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Certificate of Incorporation

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, April 16, 2007

This is to certify that the certificate of incorporation of

Deacon Road Estate Homeowners Association, Inc.

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: April 16, 2007



State Corporation Commission

Attest:

Joel H. Beck
Clerk of the Commission

Certification of Annual Report

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION COMMONWEALTH OF VIRGINIA		
EXPIRES ON 12-31-2015	9960 Mayland Dr., Suite 400, Richmond, VA 23233 Telephone: (804) 367-8500	NUMBER 0550005482
COMMON INTEREST COMMUNITY BOARD COMMON INTEREST COMMUNITY ASSOCIATION REGISTRATION		
DEACON ROAD ESTATES HOMEOWNERS ASSOCIATION, INC WALLACE T. DUNCAN 12 GALLAGHER LANE FREDERICKSBURG, VA 22405		  Jay W. DeBoer, Director
<small>ALTERATION OF THIS DOCUMENT, USE AFTER EXPIRATION, OR USE BY PERSONS OR FIRMS OTHER THAN THOSE NAMED MAY RESULT IN CRIMINAL PROSECUTION UNDER THE CODE OF VIRGINIA.</small>		

(SEE REVERSE SIDE FOR NAME AND/OR ADDRESS CHANGE)

(POCKET CARD)

COMMONWEALTH OF VIRGINIA
COMMON INTEREST COMMUNITY BOARD
COMMON INTEREST COMMUNITY ASSOCIATION REGISTRATION
NUMBER: 0550005482 EXPIRES: 12-31-2015

DEACON ROAD ESTATES HOMEOWNERS ASSOCIATION, INC
WALLACE T. DUNCAN
12 GALLAGHER LANE
FREDERICKSBURG, VA 22405



FOUR

(DETACH HERE)

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
9960 Mayland Dr., Suite 400, Richmond, VA 23233

ALTERATION OF THIS DOCUMENT, USE AFTER EXPIRATION, OR USE BY PERSONS OR FIRMS OTHER THAN THOSE NAMED MAY RESULT IN CRIMINAL PROSECUTION UNDER THE CODE OF VIRGINIA.

**Budget
and
Current Income Statement**

	Budget 2014	Budget January 2014 to current month	Actual January 2014	Actual February 2014	Actual March 2014	Actual April 2014	Actual May 2014	Actual June 2014	Actual July 2014	Actual August 2014	Actual September 2014	Actual October 2014	Actual November 2014	Actual December 2014	Total for 2014	BUDGET 2015
INCOME																
LATE FEE ON 2014 DUES	200.00	200.00	25.00		25.00		75.00		25.00	25.00		25.00	50.00		250.00	200.00
ASSESSMENT 2014	37,428.00	37,428.00	11,761.33	490.33	290.33	6,176.93	957.23	150.00	6,362.04	940.33	1,340.33	7,093.83	450.00	930.66	36,943.34	37,614.00
CLOSING COSTS FROM SALE OF HOMES	500.00	500.00	275.00			250.00				275.00	800.00				1,600.00	500.00
INTEREST INCOME	60.00	60.00	3.97	4.65	4.93	4.63	4.79	4.64	4.79	4.79	4.64	4.79	4.64	4.46	55.72	60.00
TOTAL INCOME	38,188.00	38,188.00	12,065.30	494.98	320.26	6,431.56	1,037.02	154.64	6,391.83	1,245.12	2,144.97	7,123.62	504.64	935.12	38,849.06	38,374.00
EXPENSES																
POSTAGE	100.00	100.00			49.00			49.00			49.00				147.00	150.00
INSURANCE	675.00	675.00		803.00											803.00	800.00
PRINTING AND PRODUCTION	200.00	200.00							26.31				62.12		88.43	100.00
STATE TAXES AND REGISTRATION FEES	25.00	25.00			25.00								70.36		95.36	25.00
GROUND MAINTENANCE	11,000.00	11,000.00	700.00	700.00	700.00	800.00	961.92	700.00	2,191.63	700.00	700.00	700.00	1,400.00	700.00	10,953.55	11,000.00
NEW TREES AND PLANTS	5,000.00	5,000.00										5,052.46			5,052.46	5,000.00
TRASH	11,346.00	11,346.00	930.00	955.80	945.50	945.50	957.14	961.00	961.00	961.00	961.00	961.00	961.00	961.00	11,460.94	11,532.00
LEGAL FEES	1,000.00	1,000.00													-	1,000.00
WEB SITE	250.00	250.00										285.00			285.00	285.00
OFFICE SUPPLIES	200.00	200.00										16.00			16.00	100.00
MAIL BOX	45.00	45.00											68.00		68.00	45.00
PAY PAL	250.00	250.00	91.76		5.38	32.25	10.45	4.65	42.28	10.03		55.33	15.41		267.54	275.00
COMMUNITY EVENTS	1,500.00	1,500.00					798.21				25.50	503.68			1,327.39	1,500.00
HOSPITALITY COMMITTEE	500.00	500.00	39.25								90.47				129.72	500.00
ELECTRICITY	2,000.00	2,000.00		197.50	184.80	182.92	182.50	180.71	181.08	184.44	184.99	187.16	189.69	190.41	2,046.20	2,220.00
CHRISTMAS LIGHTS	-	-	633.45												633.45	-
LANDMARC REAL ESTATE	1,500.00	1,500.00			96.65					691.12	172.50	188.07	242.66	242.46	1,633.46	1,500.00
TOTAL EXPENSES	35,591.00	35,591.00	2,394.46	2,656.30	2,006.33	1,960.67	2,910.22	1,895.36	3,402.30	2,546.59	2,183.46	7,948.70	3,009.24	2,093.87	35,007.50	36,032.00
NET INCOME (LOSS)	2,597.00	2,597.00	9,670.84	(2,161.32)	(1,686.07)	4,470.89	(1,873.20)	(1,740.72)	2,989.53	(1,301.47)	(38.49)	(825.08)	(2,504.60)	(1,158.75)	3,841.56	2,342.00
CASH IN BANK, PRIOR MONTH			22,828.03	32,498.87	30,337.55	28,651.48	33,122.37	31,249.17	29,508.45	32,497.98	31,196.51	31,158.02	30,332.94	27,828.34		
CASH RECEIVED IN 2014			12,065.30	494.98	320.26	6,431.56	1,037.02	154.64	6,391.83	1,245.12	2,144.97	7,123.62	504.64	935.12		
CASH EXPENSES IN 2014			2,394.46	2,656.30	2,006.33	1,960.67	2,910.22	1,895.36	3,402.30	2,546.59	2,183.46	7,948.70	3,009.24	2,093.87		
CASH IN BANK			32,498.87	30,337.55	28,651.48	33,122.37	31,249.17	29,508.45	32,497.98	31,196.51	31,158.02	30,332.94	27,828.34	26,669.59		
DUES 600*63 LOTS	37,800.00															
MINUS TRASH FEE FOR DRHorton-OWNED LOTS	186.00															
DUES FOR 2015	37,614.00															

Articles of Incorporation



AMENDED ARTICLES OF INCORPORATION
DEACON ROAD ESTATES HOMEOWNERS ASSOCIATION, INC.
NOW TO BE KNOWN AS
DEACON HILL ESTATES HOMEOWNERS' ASSOCIATION, INC.

ARTICLE 1
NAME

The name of this corporation is Deacon Road Estates Homeowners Association, Inc., **now to be known as Deacon Hill Estates Homeowners Association**, which is hereby incorporated as a non-stock corporation pursuant to Chapter 10 of Title 13.1 of the Code of Virginia (1950) as amended (the "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 12.1-803 of the Act. Capitalized terms used herein or in the Bylaws shall have the meanings specified for such terms below.

- (a) "Additional Land" means the land added from time to time, to the Declaration which the Declarant may submit to the Declaration and to the jurisdiction of the Association.
- (b) "Articles of Incorporation" means these Articles of Incorporation for the Deacon Hill Estates Homeowners Association, Inc. filed with the Virginia State Corporation Commission, as amended from time to time.
- (c) "Association" means the Deacon Hill Estates Homeowners Association, Inc., and, with respect to the rights and obligations of the Association set forth in the Declaration, its successors and assigns.
- (d) "Association Documents" means collectively these Articles of Incorporation, the Declaration, Supplementary Declarations, Architectural Guidelines, Rules & Regulations, and the Bylaws as amended from time to time. Any exhibit, schedule, certification, or amendment to an Association Document shall be an integral part of that document.
- (e) "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.
- (f) "Builder" means a Person (other than the Declarant) who is regularly in the business and who purchases Lots within the Property for the purpose of constructing improvements for resale.
- (g) "Bylaws" means the Bylaws of the Association as the same may be amended from time to time.
- (h) "Common Area" means, at any given time, all of the Property, other than Lots, then owned by the Association or otherwise available to the Association for the benefit, use and enjoyment of the Owners.

- (i) "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.
- (j) "Covenants Committee" means one of the committees that may be established to assure that the Property will be maintained in a manner consistent with the purposes and intents of this Declaration. With respect to initial construction, all references to the Covenants Committee shall mean the Initial Construction Committee.
- (k) "Declarant" means Somerset Deacon LLC, a Virginia limited liability company. Following recordation of an instrument assigning to another Person some or all of the rights reserved to the Declarant under the Association Documents, the term "Declarant" shall mean or include that assignee.
- (l) "Declarant Control Period" means the period of time beginning on the date of incorporation of the Association and ending on the earliest of:
 - (i) the later of (A) the fifteenth anniversary of the date of recordation of the Declaration or (B) 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 period of time is less);
 - (ii) the date seventy-five (75%) percent of the total number of planned dwellings permitted to be located on the Submitted Land and the Additional Land are initially occupied or owned by Owners other than the Declarant or a Builder (the foregoing number may be increased or decreased in accordance with any amendments to the Development Plan or approvals affecting the number of permitted dwellings are amended to describe land not originally described which would allow an increased number of permitted dwellings or as otherwise provided in Section 4.2(a) of the Articles of Incorporation);
 - (iii) the date specified by the Declarant in a written notice to the Association that the Declarant Control Period is to terminate; or
 - (iv) the end of the Development Period.
- (m) "Declaration" means the Declaration for Deacon Hill Estates made by the Declarant and recorded among the Land Records. The term Declaration shall include all amendments thereto:
 - (i) amending the provisions of the Declaration pursuant to Article 14 of the Declaration, and
 - (ii) Supplementary Declarations submitting Additional Real Estate to the terms of the Declaration and the jurisdiction of the Association pursuant to Article 4 of the Declaration, whether or not such amendments adds provisions to the Declaration reflecting the unique character of the real estate being added.
- (n) "Land" means, at any given time, the real estate then subject to the Declaration (including Lots and Common Area), but does not include improvements or appurtenances thereto.

- (o) "Land Records" means the land records of Stafford County, Virginia.
- (p) "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 land designated as Common Area and owned by the Association or land dedicated for Public Street purposes), together with any improvements now or hereafter appurtenant thereto.
- (q) "Majority Vote" means a simple majority (more than fifty percent (50%)) 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 entitled to be 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 of Directors (or committee) at which a quorum is present.
- (r) "Mortgagee" means an institutional lender which holds a first mortgage or first deed of trust ("Mortgage") encumbering a Lot and which has notified the Board of Directors of its status in writing and requested all rights under the Association Documents
- (s) "Member" shall mean Lot Owner.
- (t) "Officer" means any Person holding office pursuant to the Bylaws.
- (u) "Owner" means one or more Persons who own a Lot in fee simple, but does not mean a 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 mean a member of the Association.
- (v) "Person" means a natural person, corporation, partnership, association, trust or other entity capable of holding title to real estate, or any combination thereof.
- (w) "Property" means, at any given time, the submitted land together with all improvements and appurtenances thereto now or hereafter existing.
- (x) "Reserved Common Area" means a portion of the Common Area for which the Board of Directors has granted a temporary revocable license for exclusive use pursuant to Section 3.8 of the Declaration.
- (y) "Rules and Regulation" means the rules and regulations governing the use, occupancy, operation and physical appearance of the Property adopted from time to time by the Board of Directors.
- (z) "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.
- (aa) "Upkeep" means care, inspections, maintenance, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction.

Section 2.2. Construction of Association Documents

- (a) 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 Document 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.

- (b) Interpretation. If there is any conflict *between* the Association Documents, the Declaration shall control, *except as to matters of compliance with the Act, then the* Articles of Incorporation shall control. Particular provisions shall control general provisions, except that a construction consistent with the Act shall in all cases control over any construction inconsistent therewith. The provisions of the Bylaws shall control over the provisions of any rule, regulation or other resolution adopted pursuant to any of the Association Documents.
- (c) Complementary of Association Documents and Incorporation by Reference. The Association Documents shall be construed together and shall be deemed to incorporate one another. Any requirements as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others. Any provision of any Association Document *referenced* in any other Association Document with the intent to incorporate the provisions of the Association Document into the other Association Document, shall be deemed incorporated therein, as if set forth in full.

ARTICLE 3 PURPOSE

The Association does not contemplate pecuniary gain or profit to its members. The purposes for which the Association is organized are to:

- (a) provide for the Upkeep of the Common Area and, to the extent provided in the Association Documents, of the Lots;
- (b) establish and administer the architectural standards governing the Property;
- (c) exercise all powers and perform all duties and obligations of the Association as set forth in the Association Documents with respect to all or any portion of the Property; and
- (d) exercise the powers now or hereafter conferred by law on Virginia non-stock corporations necessary or desirable to accomplish the above purposes.

ARTICLE 4 MEMBERSHIP AND VOTING

Section 4.1. Membership

Members of the Association shall at all times be, and be limited to, the Declarant (for as long as the Declarant or its designees are engaged in development or sales, or activities related thereto, anywhere on the Property or the Additional Real Estate) and the Persons who constitute Owners of the Lots. If more than one Person owns a Lot, then all of the Persons who own such Lot shall collectively constitute one Owner and be one member of the Association. Each Person is entitled to attend all meetings of the Association. Membership in the Association is mandatory. Membership in the Association is appurtenant to, and inseparable from, ownership of the lot.

Section 4.2. The Association

- (a) Creation. The Association is a non-stock corporation organized and existing under the laws of the Commonwealth of Virginia, charged with the duties and vested with the powers prescribed by law and set forth in the Association Documents.
- (b) Membership. Members of the Association shall at all times be, and be limited to, the Declarant (during the Development Period) and the Owners. 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. 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.

- (c) Classes of Members: Voting Rights. The Association shall have the classes of Owners (members) with the following voting rights:

The Class A Owners shall be the Owners, other than the Declarant during the Declarant Control Period. A Class A Owner shall have one vote for each Lot owned.

- (d) Board of Directors. 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 or the Association Documents, all rights, powers, easements, obligations and duties of the Association may be performed by the Board of Directors on behalf of the Association.

- (e) Assignment of Voting Rights. Any member may assign such member's voting rights (as such voting rights relate to a particular Lot owned by such member), to a lessee of such Lot; provided, however, that the initial term of the lease for such Lot is for a period of not less than five years; and provided, further, that such assignment is evidenced by a written certificate signed by the member and witnessed by a person, other than the assignee, who shall sign their name and address. Such certificate shall be filed with the Secretary.

Section 4.3. Required Vote

Only a Majority Vote of the members shall be necessary for the adoption of any matter voted upon, except that: (1) at least a Sixty-seven Percent Vote of the members shall be necessary to adopt any amendment of these Articles or to dissolve the Association.

ARTICLE 5 BOARD OF DIRECTORS

Section 5.1. Initial Directors

Stephen A. West, John H. Sites, Mary M. Burch, are the three initial directors of the Association, who shall serve until their successors are elected in accordance with Section 5.2 hereof. During the Declarant Control Period, the Declarant 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 shall also be three members. Except as provided in this section, all directors shall be elected by the Declarant who shall elect, remove and replace all such directors at will, and designate the terms thereof, until the meeting described in Subsection 5.2(b).
- (b) Term of Office. The first election of directors will take place at the end of the Declarant Control Period. The term of office of at least one but less than three of the directors elected by the Class A members 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 following their election 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 fraction 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 increased pursuant to this section, terms shall be established so that one-third (or a fraction as near to one-third as possible) of the total number of directors is elected each year.

Section 5.3. Election Procedures; Qualifications

- (a) Elections Committee. At least thirty days prior to each meeting of the Association at which directors are elected by members other than the Class B member, the Board of Directors may
- (i) appoint an Elections Committee consisting of a member of the Board whose term is not then expiring and at least two other persons who are not members of the Board. The Committee shall develop election procedures and administer such procedures as are approved by the Board providing for election of directors by ballot of the members at annual meetings and, where appropriate, special meetings, or
 - (ii) accept nominations from persons qualified to be directors who submit an application to the Board at least twenty days before the meeting at which the election is to be held. Such application shall be signed by at least three other members and either signed by the nominee or accompanied by a document signed by the nominee indicating a willingness to serve as a director; or
 - (iii) provided, however, that 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 candidate has submitted an application. The nominee must either be present and consent to the nomination or have indicated in writing the willingness to serve.
- (b) Qualifications. No person shall be eligible for election as a member of the Board of Directors unless such person is an Owner, an Owner's spouse, an officer, trustee, general partner or agent of an Owner, the Declarant (or a designee of the Declarant) or a Mortgagee in possession (or a designee of a Mortgagee in possession). No Owner or representative of such 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 and in good standing with the Association.
- (c) Exception During 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.

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, and 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 Bylaws may be amended solely in accordance with of the Bylaws.

Section 5.5. Removal or Resignation of Directors

Except with respect to initial directors, directors elected by the Declarant 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 cause by a Board

majority at a Board meeting or with or without cause by the members entitled to cast a majority of the total number of votes, and a successor may then and there be elected by the members to fill the vacancy thus created.

Any director whose removal has been proposed by the members 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 members of such meeting shall state that one of the purposes of the meeting is to remove such director. The Declarant may remove and replace any initial director or any director elected by the Declarant or a replacement thereof at will, pursuant to Section 5.2 hereof. A director may resign at any time 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 an initial director, any director elected by the Declarant or replacement thereof, 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 not in attendance at three consecutive regular meetings of the Board, if the minutes reflect the Board's decision to remove such director. No director need be a resident of the Property, but beginning at such time as the directors are elected by all members entitled to vote rather than elected solely by Declarant and at all times thereafter, if any director was a resident when elected such director shall be deemed to have resigned at such time as such director ceases to be a owner resident.

Section 5.6. Vacancies

Vacancies on the Board of Directors caused by any reason other than the removal of a director by the members, or the Declarant, if appropriate, 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 members shall be filled by a vote of the members, pursuant to Section 5.5 hereof, and shall serve the remainder of the term of the director being replaced. The Declarant shall designate the successor to an initial director or any director elected by the Declarant. The term of the replacement directors shall expire so that the staggered terms shall remain unaffected.

ARTICLE 6 INITIAL REGISTERED OFFICE

The initial registered office of the Association is at 6118 Salisbury Retreat, King George, Virginia, 22484 at which office the initial registered agent of the Association is Stephen A. West, who meets the requirements of Section 13.1-833 of the Act.

ARTICLE 7 AMENDMENT

These Articles may not be amended unless the amendment is adopted by at least a Sixty-seven Percent (67%) Vote of the members, pursuant to Section 13.1-886 of the Act. No amendment to these Articles may diminish or impair the rights of the Declarant without the prior written consent of the Declarant.


**ARTICLE 8
DISSOLUTION**

The Association may not be dissolved unless the resolution to dissolve is adopted by at least a Sixty-seven Percent (67%) Vote of the members, pursuant to Section 13.1-902 of the Act. The Association may not be dissolved except in accordance with Section 15.1 of the Declaration. 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 the Common Area and other assets of the Association may be distributed as agreed upon by a Sixty-seven Percent (67%) Vote of the members.

**ARTICLE 9
MERGERS AND CONSOLIDATIONS**

The Association may merge or consolidate with other corporations as provided by the Act, however, no such merger or consolidation in and of itself without further action by the members shall in any way affect the rights of the members in the Association and under the Declaration.

IN WITNESS WHEREOF, the incorporator of the Association has signed these Articles of Incorporation on April 19, 2004.



Incorporator

STATE OF VIRGINIA,

COUNTY OF STAFFORD, to-wit:

The foregoing was acknowledged before me this 29 day of April, 2004, by Stephen Allen West in his capacity as managing member of SOMERSET DEACON, L.L.C., and a Virginia limited liability company.

My commission expires: march 31, 2005

Gaie B. Farnett
Notary Public

STATE OF VIRGINIA,

COUNTY OF STAFFORD, to-wit:

The foregoing was acknowledged before me this 19 day of April, 2004, by Stephen Allen West Jr in his capacity as President of Deacon Road Estates Homeowners Association.

My commission expires: march 31, 2005

Gaie B. Farnett
Notary Public

Declaration



STAFFORD COUNTY CIRCUIT COURT

**AMENDED DECLARATION
FOR
DEACON ROAD ESTATES
NOW TO BE KNOWN AS DEACON HILL ESTATES**

THIS DECLARATION is made as of April 8, 2004 by SOMERSET DEACON, L.L.C., a Virginia limited liability company ("Declarant") and DEACON HILL ESTATES HOMEOWNERS ASSOCIATION, a Virginia non-stock corporation ("Association").

RECITALS

R-1. The Declarant owns the land designated as "Submitted Land" in the legal description attached as Exhibit A hereto (and made a part hereof by this reference) and the Declarant desires to subject such land to the covenants, restrictions, reservations, easements, servitudes, liens and charges, all as more particularly set forth in this Declaration.

R-2. The Declarant deems it desirable and in the best interest of future owners of the land to subject the Submitted Land to this Declaration to protect the value and the desirability of such land by providing for the development of such land in accordance with a common plan and for the maintenance of certain shared facilities.

R-3. To provide a means for meeting the purposes and intents of the Declarant and the intents and requirements of the County (as hereinafter defined), the Declarant has created under the laws of the Commonwealth of Virginia, the Deacon Hill Estates Homeowners Association ("Association"), whose members shall consist of all owners of land within the Property.

NOW, THEREFORE, the Declarant and the Association hereby covenant and declare, on behalf of themselves and their respective successors and assigns, that from the date this Declaration is recorded, the land 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 (including all improvements thereon) and bind and inure to the benefit of all Persons (as hereinafter defined) who may now or hereafter own or acquire any right, title, estate or interest in or to any of such land, 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 from time to time in accordance with the provisions for amendment set forth herein. The Association accepts the responsibilities and obligations set forth herein.

**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) "Articles of Incorporation" means the 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. Assessments include Annual Assessments, Additional Assessments, Individual Assessments, and Special Assessments (Assessments levied pursuant to Section 55514 of the POA Act)
- (4) "Association" means Deacon Hill Estates Homeowners Association, Inc. and with respect to the rights and obligations of the Association set forth in this Declaration, its successors and assigns.
- (5) "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.
- (6) "Board of Directors" or "Board" means the executive and administrative entity established by the Articles of Incorporation as the governing body of the Association.
- (7) "Builder" means a Person (other than the Declarant) who purchases Lots within the Property for the purpose of constructing improvements for resale, including but not limited to Virginia Homes DE, LLC.
- (8) "Bylaws" mean 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 or otherwise available to the Association for the benefit, use and enjoyment of the Owners.
 - (a) "Common Easement Area" means, at any given time, any easement available to the Association for the benefit or use of the Owners.
- (10) "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 if any.
- (11) "County" means Stafford County, Virginia. All references to approval by the County shall mean approval by the appropriate agency of the County, as determined by the Office of the County Attorney at that time.
- (12) "Covenants Committee" means one of the committees 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. With respect to initial construction, the Declarant shall as the Initial Construction Committee.
- (13) "Declarant" means Somerset Deacon, L.L.C., a Virginia limited liability company. Following the 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, the term "Declarant" shall mean or include that assignee.
- (14) "Declarant Control Period" means the period of time beginning on the date of incorporation of the Association and ending on the earliest of

- (i) the later of the fifteenth anniversary of the date of recordation of the Declaration
 - (ii) the date seventy-five (75%) percent of the total number of planned dwellings permitted to be located on the Submitted Land and the Additional Land are initially occupied or owned by Owners other than the Declarant or a Builder (the foregoing number may be increased or decreased in accordance with any amendments to the Development Plan or approvals affecting the number of permitted dwellings or if Exhibits A are amended to describe land not originally described in Exhibits A which would allow an increased number of permitted dwellings or as otherwise provided in the Articles of Incorporation);
 - (iii) the date specified by the Declarant in a written notice to the Association that the Declarant Control Period is to terminate; or
 - (iv) the end of the Development Period.
- (15) "Declaration" means this Declaration for Deacon Hill Estates 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". "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. A Supplementary Declaration may be part of a deed of subdivision.
- (16) "Design Guidelines" means the standards and guidelines developed by the Declarant during the Development Period or adopted by the Board of Directors pursuant to Article 9.
- (17) "Development Period" means the period of time that the Declarant or Builders are engaged in development or sales of the Property or the Additional Land or activities relating thereto, during which time the Declarant is entitled to exercise certain "Special Declarant Rights" under the Association Documents as described in Article 5.
- (18) "Development Plan" means the general development or site plan or plans for the Submitted Land or the Additional Land as approved by the County and as amended from time to time. "Proffers" means the proffers applicable to the Submitted Land or the Additional Land as approved by the County in conjunction with rezoning of the Property, including without limitation the Land Use Concept Plan, 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 subject only to the requirements and procedures of the County.
- (19) "Land Records" means the land records of Stafford County, Virginia.
- (20) "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 land designated as Common Area and owned by the Association or land dedicated for public Street purposes), together with any improvements now or hereafter appurtenant thereto.
- (21) "Majority Vote" means a simple majority (more than fifty (50%) 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 number of votes actually 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 by a specified percentage of the Board of Directors (or committee) means that percentage with respect to the number of 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.

- (22) "Mortgagee" means an institutional lender one or more commercial or savings banks, savings & loan associations, trust companies, credit union, industrial loan associations, insurance companies, pension funds or business trusts, including but not limited to real estate investment trusts, any other 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 forgoing entities) holding a first mortgage or first deed of trust ("Mortgage") encumbering a Lot which has notified the Association of its status 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 of the Declaration, the term "Mortgagee" shall also include the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Federal National Mortgage Association, the Veterans Administration, the Government National Mortgage Association and any other public or private secondary mortgage market agency participating in purchasing, guarantying, or insuring Mortgages if the Board has notice of such participation.
- (23) "Officer" means any Person holding office pursuant to the Bylaws.
- (24) "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 mean a member of the Association.
- (25) "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.
- (26) "Person" means a natural person, corporation, partnership, association, trust or other entity capable of holding title or any combination thereof.
- (27) "Property" means, at any given time, the Submitted Land, together with all improvements and appurtenances thereto now or hereafter existing.
- (28) "Rules and Regulations" means the rules and regulations governing the use, occupancy, operation, Upkeep and physical appearance of the Property adopted or changed from time to time by the Board of Directors.
- (29) "Submitted Land" means the land designated as such in Exhibit A and all land which is from time to time submitted to the Declaration.

Section 1.2. Construction of Association Documents

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 construction inconsistent with the Act. 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.

Section 1.3. The Association

- (a) Creation. The Association is a non-stock corporation organized and existing under the laws of the Commonwealth of Virginia, charged with the duties and vested with the powers prescribed by law and set forth in the Association Documents.
- (b) Membership. Members of the Association shall at all times be, and be limited to, the Declarant (during the Development Period) and the Owners. 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. 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.
- (c) Classes of Members; Voting Rights. The Association shall have the classes of Owners (members) with the voting rights set forth in the Articles of Incorporation and as follows.
 - (i) The Class A Owners shall be the Owners, including any Builder, other than the Declarant or builder during the Declarant Control Period. A Class A Owner shall have one vote for each Lot owned.
- (d) Board of Directors. 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 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.

ARTICLE 2 COMMON AREA

Section 2.1. Conveyance; Title

The Declarant shall convey the Common Area in each subdivided section 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).

Section 2.2. Boundary Adjustments

The Association, acting through its Board of Directors without Owner or Mortgagee approval, has the power at any time or times, consistent with the then existing zoning or subdivision ordinances of the applicable governmental authority, to transfer part of the Common Area for the purpose of adjusting Lot lines or otherwise in connection with the orderly subdivision and development of the Property.

Section 2.3. Regulation of Common Area

The Board of Directors shall have the right to regulate use of the Common Area.

ARTICLE 3 EASEMENTS

Section 3.1. Utility and Development Easements

- (a) General Utility Easement. A non-exclusive perpetual blanket easement is hereby granted over and through the Common Area and any Lot (except that no easements may be granted which run or will run under a dwelling except to serve such dwelling) for the purpose of:
- (i) installing, constructing, operating, inspecting, maintaining, repairing or replacing equipment used to provide to any portion of the Property or adjacent land any utilities, including without limitation water, sewer, drainage, gas, electricity, street lighting or telecommunications service, whether public or private;
 - (ii) ingress and egress to install, construct, operate, inspect, maintain, repair and replace such equipment; and
 - (iii) storm water management and storm water drainage, as necessary or desirable for the orderly development of the Property or adjacent land.

Such easement is hereby granted to any Person providing the aforesaid utilities or installing, constructing, operating, inspecting, maintaining, repairing or replacing equipment related thereto. Any pipes, conduits, lines, wires, transformers and any other apparatus necessary for the provision or metering of any utility may be installed or relocated only where permitted by the Declarant, where contemplated on any site plan approved by the Declarant or where approved by resolution of the Board of Directors. Equipment used to provide or meter such utilities or services may be installed above ground if approved by the Declarant during the Development Period or the Board of Directors thereafter. The Person providing a service or installing a utility pursuant to this easement shall install, construct, operate, inspect, maintain, repair or replace the equipment used to provide or meter the utility as promptly and expeditiously as possible, and shall restore the surface of the land and the surrounding vegetation and improvements to their original condition (to the extent practical) as soon as possible. The Declarant and its affiliates and its and their designees shall have a perpetual easement over, upon and under the Common Area and the unimproved portions of the Lots for the installation, operation, inspection, maintenance, repair, replacement, alteration and expansion of all utilities. If the Person installing the utility or providing a service requests a specific easement across Common Area or any Lot for the purposes contemplated by this Subsection by separate recordable document, then the Declarant or the Association (acting through its Board of Directors without Owner or Mortgagee approval) shall have the right to grant and convey such easements and to record a deed or deeds locating such easements.

- (b) Easement to Facilitate Construction. The Declarant hereby reserves to itself and its successors and assigns and also grants to each Builder a nonexclusive blanket easement over and through

the Property for all purposes reasonably related to the development and completion of improvements on the Property, including without limitation:

- (i) temporary slope and construction easements;
- (ii) easements for the temporary storage (in a sightly manner) of reasonable supplies of building materials and equipment necessary to complete improvements; and
- (iii) easements for the construction, installation and upkeep of improvements, buildings, landscaping, street lights, signage, etc.) on the Property or reasonably necessary to serve the Property or adjacent land.

Section 3.2. Association Powers and Rights

The Association's exercise of the rights, powers and easements granted in Section 3.1 but the time 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

The Association, the managing agent and any other Persons authorized by the Board of Directors are hereby granted the right of access over and through any portion of the Property (excluding the interior of any building), for the exercise and discharge of their respective powers and responsibilities, including without limitation to make inspections, to correct any condition originating in a Lot or in the Common Area threatening another Lot or the Common Area, to correct drainage, to perform installations or Upkeep of utilities, landscaping or other improvements located on the Property for which the Association is responsible for Upkeep, or to correct any condition which violates the Association Documents. 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 and the costs incurred by the Association shall be assessed against such Owner's Lot.

Section 3.4. Easements for Encroachments

If any improvement on any Lot or portion of the Common Area 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 or excuse the violation of County ordinances.

Section 3.5. Easement for Emergency Access

An easement over and through all or any portion of the Property is hereby granted to the County for police, fire, ambulance and other rescue personnel in the lawful performance of their functions during emergencies.

Section 3.6. Easement for Use of Common Area

Declarant reserves to itself and its successors and assigns during the Development Period and grants to each Owner a non-exclusive right or access and easement of use and enjoyment in common with others of the Common Area.

**[ARTICLE 4 WAS DELETED IN ITS ENTIRETY, BY MAJORITY VOTE OF THE HOMEOWNERS,
NOVEMBER 2, 2009]**

**[ARTICLE 5 WAS DELETED IN ITS ENTIRETY, BY MAJORITY VOTE OF THE HOMEOWNERS,
NOVEMBER 2, 2009]**

ARTICLE 6 COMMON EXPENSES AND ASSESSMENTS

Section 6.1. Determination of Common Expenses and Budget

The first fiscal year of the Association shall be as determined in accordance with the Bylaws. The fiscal year runs from January 1 to December 31.

a) Preparation and Approval of Budget

- (i) At least forty-five (45) 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 or deeds of subdivision, Upkeep of the Lots, the cost of administration of the Association and 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.
- (ii) 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, reserves for contingencies (potential costs or liabilities which have not been

incurred but which should be planned for) and reserves for replacements. At least forty (40) days before the beginning of each fiscal year, the Board of Directors shall make available a copy or summary of the budget. Such budget shall constitute the basis for determining the Assessment against each Lot.

- b) Installment Payments and Due Dates. Any and all such Assessments and other charges shall be a lien against each Owner's Lot. 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 the Association 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.
- c) Initial Assessment.
 - (i) 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 date the Lot is first subject to Assessment pursuant to Section 6.2. 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.
 - (ii) Each new purchaser of a Lot from owner shall pay at settlement an "Initial Assessment" equal to One Hundred Fifty Dollars (\$150.00) to provide necessary working capital and initial reserve funding for the Association. The foregoing amount may be increased by the Board.
 - (iii) Each purchaser shall also be responsible to pay at settlement a transfer fee to the Association or to its Management Company at settlement per contract.
- d) 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 (10) days after such new annual or adjusted budget is adopted and the Owner receives such notice.
- e) Pledge of Revenues. The Board of Directors, by a vote of two-thirds of the total number of directors, shall have the right and power to assign and pledge all revenues to be received by the Association, including but not limited to Annual and Additional Assessments, in order to secure the repayment of any sums borrowed by the Association from time to time.

Section 6.2. Assessments

a) Purpose and Rate of Assessment. Subject to the provisions of paragraphs (b) and (c) of this Subsection 6.2(a) and Section 6.3 and after determining the total amount of the estimated funds required:

- (i) for the management and Upkeep of the Property;
- (ii) for services to the Lots and Owners (including services provided under Section 7.1(d));
- (iii) for the maintenance of adequate reserves; or
- (iv) for meeting other obligations of the Association established pursuant to this Declaration, other shared maintenance agreements, subdivision documents or easements or governmental requirements,

the Board of Directors shall establish an Annual Assessment rate for each Lot for Common Expenses, in an equal amount against all Lots subject to Assessment.

b) Limitations on Increases.

- (i) Maximum Allowable Assessments. In no case may the Board adopt an annual assessment that exceeds the Maximum Allowable Annual Assessment. For the first fiscal year following recordation of this Declaration, the maximum allowable Annual Assessment against Lots for Common Expenses, excluding Limited Common Expenses, shall be Six Hundred Dollars (\$600.00) per Lot plus any additional maximum allowable Annual Assessment for Limited Common Expenses set forth in a Supplementary Declaration.
- (ii) Automatic Increases in Maximum Allowable Assessment. At the beginning of each fiscal year after the first fiscal year (January 1st) of the Association, the maximum allowable Annual Assessment set forth above shall automatically increase (without vote of the Owners or the Board of Directors) the greater of: Ten percent (10%); or the percentage increase in the U.S. Department of Labor Consumer Price Index.
- (iii) The Board of Directors may determine to set Annual Assessments at an amount less than the applicable maximum allowable Annual Assessment for any fiscal year if, after consideration of current expenses and future needs of the Association, it deems it advisable. The actual Assessment set by the Board will not affect calculation of automatic increases in the maximum allowable Annual Assessments.

c) Additional Assessments. The Board of Directors may levy Additional Assessments on the Lots subject to Assessment pursuant to Section 6.2(a).

d) 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 Section 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 Section 12.1(h);
- (iii) for any costs incurred by the Association because of any violation or negligence for which that Owner is responsible under Section 12.1; and
- (iv) for contractual charges levied pursuant to Section 6.2(e).

Each such Assessment shall be due within ten (10) days after notice thereof is given to the Owner unless the notice specifies a later date. Individual Assessments shall not be subject to maximum Assessment limitations.

e) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, contingencies and replacements. Such funds shall be a Common Expense of the Association. 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:

- (i) 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.
- (ii) 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.
- (iii) If the reserves are inadequate to meet actual expenditures for any reason then the Board of Directors shall, in accordance with Subsections 6.2(c) and (f), levy an Additional Assessment against the Lots.

f) Surplus and Deficit.

- (i) 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.

- (ii) Unless the budget for the next succeeding fiscal year is adjusted to amortize the deficit during such fiscal year, any net shortage in expenses shall be assessed promptly against the Owners as an Additional Assessment; provided, however, that if unoccupied Lots owned by the Declarant and Builders are exempt from Assessment during the Declarant Control Period the Declarant shall make up any net shortage (expenses) in the Association's budgeted operating income over the Association's ordinary operating expenses as provided but the Declarant is not obligated to pay any expenses that the Association is unable to meet because of non-payment of any Owner's Assessment or unusual or extraordinary expenses not included in the budget. In addition, previous years' surpluses or initial assessment may be used to offset deficits, even though the Declarant may have a deficit-funding obligation.

Section 6.3. Assessment Against Lots Owned by the Declarant and Builders; Exemptions

- a) Reduced Assessment. A Builder shall pay assessments on each Lot owned in an amount equal to one hundred percent (100%) of the amount assessed per dwelling or Lot for Common Expenses, minus the cost of trash services. The Lot shall not be subject to full assessment until the earlier of:
 - (i) conveyance to an Owner other than the Declarant or a Builder; and
 - (ii) initial occupancy.

For so long as the Declarant (or Builder), pays the reduced Assessment for an unoccupied Lot, the Builder or Declarant, as applicable, must maintain such Lot. In addition, during the Declarant Control Period, the Declarant must fund all operating budget deficits. 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 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. 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 by owner.

Section 6.4. Liability for Common Expenses

- a) Owner Liability. Each Owner of a Lot shall pay to the Association all Assessments and other charges assessed by the Board of Directors pursuant to the provisions of this Declaration. Each Owner shall also be personally liable for all Assessments against such Owner's Lot. No Owner shall be exempted from liability for Assessment by reason of waiver of the use or enjoyment of any of the Common Area or by abandonment of the Lot or by temporary unavailability of the Common Area. 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 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 a Statement of Common Expenses (Budget) or
 - (ii) if no Statement of Common Expenses is obtained, the amount shown on an 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 therefore. 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 holder of a Mortgage 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 accrued prior to the date such Person comes into possession thereof, except as provided below and except for claims for a pro rata share of such Assessments or charges resulting from a pro rata reallocation of such Assessments or charges to all Lots including the mortgaged Lot assessed after such Person takes title. 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 under the Mortgage, then the excess shall first be paid to the Association and applied to the satisfaction of the Association's lien.

Section 6.5. Collection of Annual Assessments

Any Assessment, or installment thereof, not paid within ten (10) days after the due date shall be delinquent and accrue a late charge in the amount of Twenty five Dollars, per payment, per lot 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, may take prompt legal action to collect any Assessments due from any Owner, which remains unpaid for more than sixty (60) days after the due date for payment thereof. The late charge is in addition to the Association's other enforcement powers. Mortgagee in possession, mortgagees shall have no duty to collect assessments on behalf of the Association. Likewise, it is not intended that provision of this Declaration shall have the effect that a failure to pay assessments shall constitute a default under any mortgage. Upon foreclosure purchaser at sale shall pay the dues.

Section 6.6. Statement of Common Expenses

The Board of Directors or managing agent shall provide any Owner, contract purchaser or Mortgagee, within fourteen (14) days after a written request therefore (or within such other time period as may be required by law), 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) as part of the "Association Disclosure Packet". 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 or contract with managing agent to provide for a fee.

ARTICLE 7 OPERATION OF THE PROPERTY

Section 7.1. Upkeep by Association

- a) General The Association shall be responsible for the management and Upkeep of all of the Common Area and Common Easement Area (except to the extent performed by the County).
- b) Storm Water Management. The Upkeep of any storm water management facilities and easements on or serving the Property, shall be performed by the Association and shall be a Common Expense. 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 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.
- c) Entrance Features, Signs and Rights-of-Ways. The Board of Directors may also determine to provide for Upkeep of the center islands, road frontage along common:
 - (i) entrance features;
 - (ii) landscaping and associated lighting and irrigation systems.

The Association shall also maintain the items listed above located within the Property or 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 required and permitted by the appropriate governmental authorities.

- d) Other Services. To the extent determined to be reasonably necessary or desirable by the Board of Directors, the Association may provide trash collection, recycling programs, water or cable television, transportation, lawn maintenance, landscaping, or similar services to the Owners as a Common Expense as appropriate.

Section 7.2. Upkeep by 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 snow removal, in accordance with local ordinances, except as provided otherwise in this Declaration or in a Supplementary Declaration.
- (i) Each Owner shall maintain the lead sidewalk, driveway, driveway apron and utility laterals serving each Owner's Lot, even if located on Common Area.
 - (ii) Each Owner shall also provide snow removal for any sidewalks located adjacent to such Owner's Lot.
 - (iii) Each Owner shall perform these responsibilities in such a 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 as good repair and condition as when acquired (normal wear and tear excepted) and in a neat and orderly condition, consistent with such Rules and Regulations as the Board of Directors may promulgate, then the Board 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 fifteen (15) 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, and any resolutions adopted by the Board of Directors or the Covenants Committee, to rectify that condition by taking such action (or by causing 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. The Owner shall reimburse the Association within thirty (30) days after delivery of a statement for such expenses from the Board.

- b) Streetlights. The Board of Directors may determine to install, maintain, and provide electricity to all streetlights located on Common Area or the Lots as a Common Expense or as a Limited Common Expense of the Lots served. The Board of Directors may adopt rules and regulations governing the payment of any electricity bills for lights located on individual Lots, which all Owners shall obey.

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 the aggregate in excess of twenty percent (20%) of the total Annual Assessment for Common Expenses for that fiscal year during any period of twelve consecutive months, the making of such additions, alterations or improvements shall require a

vote of the Owners pursuant to Section 14.2, and the Board of Directors shall assess all Owners benefited for the cost thereof as a Common Expense or a Limited Common Expense depending on the nature of the improvement. Any capital additions, alterations or improvements costing in the aggregate twenty percent (20%) or less of the total Annual Assessment for Common Expenses for that fiscal year or replacement items or items of Upkeep 'during any period of twelve (12) 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. Any Assessments resulting from expenditures authorized under this section must also comply with Section 6.2(b) (1) which imposes limitations on increases in Assessments above a specified maximum. If Owner approval is required to increase the applicable maximum Annual Assessment, such approval shall be obtained simultaneously with the vote required by Subsections 14.4(a) and (c).

Section 7.5. Disclaimer of Liability

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. The Association shall not be liable for any failure of or interruption to the water supply or other services to be obtained by the Association or paid for as a Common Expense, or for personal injury or property damage which is caused by the elements or by any Owner or any other Person, or which results 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 Assessment shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Property by the Association or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any governmental authority. This section is not intended nor shall it be construed to relieve any insurer of its contractual obligations under any policy benefiting the Association or an Owner.

Section 7.6. Parking of Cars

All lots must provide off-street parking for all cars owned or used by Owners, residents, tenants, etc. Cars will not be able to be parked on VDOT right-of way. The exception will be made for guest parking while attending household function.

ARTICLE 8

RESTRICTIONS ON USE OF LOTS AND COMMON AREA: RULES & REGULATIONS

Section 8.1. Permitted Uses

No Lot shall be used for other than residential, recreational or related purposes, which are permissible under local ordinances, without the prior written approval of the Board of Directors, as provided in Section 8.2(g). Notwithstanding the foregoing, nothing in the Association Documents shall be construed to prohibit the Declarant from using any Lot owned by the Declarant (or any other Lot with the permission of

the Owner thereof) or any portion of the Common Area for promotional, marketing, display or customer service purposes (such as a visitors' center) or for the settlement or sales of Lots. Further, the Declarant specifically reserves the right to operate a construction office or a rental, brokerage and management office at any time on Lots owned or leased by the Declarant (or any other Lot with the permission of the Owner thereof) and on any portion of the Common Area, to the extent permitted by law. The Declarant may assign its rights under this subsection to or share such rights with one or more other Persons who are Builders, exclusively, simultaneously or consecutively with respect to the Common Area or Lots owned or leased by the Declarant or such Persons.

Section 8.2. Restrictions on Use

- a) No 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 approval 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. The Board of Directors may assess any excess costs for insurance against the responsible Owner. 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 and other ordinances including the Development Plan, rules 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 a 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 or outdoor grill 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, sewer 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.
- 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 resulting in significant and unjustified 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 Common Easement Area or otherwise impede the rightful access of any other Person lawfully on any portion of the Property. No Person shall place or cause or permit anything to be placed on or in any portion of the Common Area without the prior written approval of the Board of Directors. Nothing shall be altered or constructed in or removed from the

Common Area or Common Easement Area except with the prior written approval of the Board of Directors or the Declarant during the Development Period.

- 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 or Reserved Common Area) without the prior written approval of the Board of Directors, and then only on a temporary basis.
- g) Home Businesses. No Lot containing a single family dwelling shall be used for any business, commercial, manufacturing, mercantile, storage, sales or other similar purposes; provided, however, that an Owner may maintain an office or home business in the dwelling on such Owner's Lot if:
- (i) such office or home business is operated by 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 as a residence;
 - (iii) such office or business does not generate 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;
 - (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; and
 - (vii) 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 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.
- h) Signs. Except for such signs (including without limitation flags, banners or similar items) 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 of any character shall be erected, posted or displayed in a location that is visible from the neighboring property unless in compliance with the Architectural Guidelines without the prior written approval of the Board or Covenants Committee. Standard Realtor signs are permitted as long as they are maintained and do not exceed 4 square feet. The Board of Directors hereby expressly reserves the right itself, or through its Covenants Committee, to assess a violation in the sum of \$100 per day for any violation of this section 8.2(h) against any Lot Owner, said assessment to be assessed against such Owner's Lot.
- i) Trash. Trash storage and collection shall be in accordance with any adopted 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. No Lot shall be used as a dumping ground for trash and rubbish. Trash containers shall not be permitted to remain in public

view except on days of trash collection. The Board of Directors may determine to negotiate a trash service contract on behalf of some or all of the Owners, the cost of which shall be a Common Expense. No incinerator shall be kept or maintained upon any Lot without the prior written approval of the Board of Directors. See also Architectural Guidelines, Section 5.9 and Section 6.10.

- j) Landscaping, Utility Lines. No tree, hedge or other landscape feature shall be planted or maintained in a location which obstructs sight lines for vehicular traffic on public streets or private streets and roadways. Pavement, plantings and other landscape materials shall not be placed or permitted to remain upon any Lot:
- (i) if such materials may damage or interfere with any easement for the installation or maintenance of utilities;
 - (ii) in violation of the requirements of such easements;
 - (iii) unless in conformity with public utility standards; or
 - (iv) if such materials may unreasonably change, obstruct or retard direction or flow of any drainage channels.

Otherwise, the installation of such materials within utility easements shall be permitted. Except for hoses, temporary lines and the like which are reasonably necessary in connection with construction activities or normal landscape maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, telecommunications cable, electric line or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground except for those located in easements existing prior to the recordation of this Declaration or as approved by the Declarant, during the Development Period, or the Board of Directors thereafter.

- k) Accessory Improvements. No structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel, run, stable or other accessory building shall be erected, used or maintained on any Lot except in connection with construction or marketing activities by the Declarant or a Builder (as permitted by the Declarant) without the prior written approval of the Covenants Committee or Board of Directors. No exterior air conditioning unit, solar panels, burglar bars or similar equipment attached to the exterior of a building may be installed or modified without the prior written approval of the Covenants Committee or Board unless in compliance with established Design Guidelines. No basketball hoops, swings or other play equipment may be erected, placed or maintained on any Lot beyond the rear plane of the house and only with the prior written approval of the Covenants Committee or Board, unless in compliance with established Design Guidelines. No decorative items may be placed on the dwellings or in the yard of any Lot, without the approval of the Covenants Committee or Board, unless in compliance with established Design Guidelines.
- l) Cutting Trees. No live trees with a diameter in excess of four inches, measured twelve Inches above ground, nor trees in excess of two inches in diameter, similarly measured, which are generally known as flowering trees (such as dogwood or redbud) or as broad leaf evergreens (such as holly, laurel, or rhododendron), no live vegetation on slopes of greater than twenty percent (20%) gradient or marked "no cut" areas on approved site plans may be cut, without the prior written approval of the Covenants Committee 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 County ordinances 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.

- m) Antennas. No exterior antenna, satellite dish or similar exterior improvement shall be maintained upon the Property unless the prior written approval of the Covenants Committee or Board is obtained. The Board of Directors may install and maintain antennas, satellite dishes or similar equipment on the Common Area to serve the Property. TV Satellite dishes less than 24 inches in diameter may be installed behind the rear plan of the house without application if it is installed as not be visible from public roadways or on roof extending above the roof peak. All other installation shall require application and approval.
- n) Fences. Except for any fence or wall installed by the Declarant or a Builder (if permitted by the Declarant) or by the Association, no fence or wall shall be installed without the prior written application and approval of the Covenants Committee or Board. No chain link fences shall be permitted but the Declarant or a Builder may erect a chain link fence for the protection of building materials or building sites temporarily. Fencing guidelines are located in Section 5.3 of the Architectural Guidelines.
- o) Vehicles. Except in connection with construction activities, no commercial vehicles, taxicabs, trailers, campers, recreational vehicles, boats or other large vehicles, including grounds maintenance equipment, ATVs or dune buggies, may be parked or used on any portion of the Common Area or on any portion of a Lot visible from the Common Area or another Lot or on any public right-of-way within or adjacent to the Property, unless expressly permitted by the Board of Directors. Parking of all such vehicles and related equipment, other than on a temporary and non-recurring basis, shall be in garages or in areas designated by the Board of Directors, if any. The Board has no obligation to designate any such area or permit parking of such vehicles. No junk or derelict vehicle or other vehicle on which current registration plates or decals and current county and state inspection permits are not displayed shall be kept upon any portion of the Common Area or any portion of a Lot visible from the Common Area or another Lot or on any public right-of-way within or adjacent to the 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 shall be driven only upon paved streets and parking lots. No motor vehicles, including without limitation trail bikes, motorcycles, dune buggies or snowmobiles, shall be driven on trails or unpaved portions of Common Area, except vehicles which are authorized by the Board of Directors as needed for Upkeep or improvement of the Common Area or for other specific purposes approved by the Declarant during the Development Period or the Board of Directors. This prohibition shall not apply to normal vehicular use of designated streets and lanes constructed on 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 if such vehicle remains in violation for a period of 24 hours from the time a notice of violation is placed on the vehicle. The Association shall not be liable to the Owner of such vehicle for trespass, conversion or otherwise, not guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the Owner to receive the notice for any other reason, shall be grounds for relief of any kind. An affidavit of the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting. For purposes of this paragraph, "vehicle" also includes without limitation campers, mobile homes and trailers.

- 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 that the keeping of guide animals and a reasonable number of orderly, traditional domestic pets, 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 such pet causing or creating a nuisance unreasonable disturbance, noise, or is vicious breed shall be permanently removed from the Property upon ten (10) 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 Owner responsible for the pet being on the Property 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. The appropriate governmental authorities shall have an easement across the Property to enforce local animal control laws and ordinances.

- q) Hunting and Firearms. No hunting or trapping of any kind and no discharge of any firearm or other weapon shall be permitted within the Property, except as necessary to control wildlife as determined and approved by the Board of Directors. Any such approved hunting or trapping by the Association shall be conducted in accordance with all applicable laws and ordinances.
- r) Pools. Above ground swimming pools are not permitted on the Lots provided the foregoing shall not be construed as prohibiting temporary use of small inflatable kiddie pools while members of an Owner's family are visiting. Hot tubs and similar devices, and in-ground pools, shall require approval by the Covenants Committee.
- s) Mailboxes and Newspaper Tubes. Only mailboxes and newspaper tubes meeting Design Guidelines or approved by the Covenants Committee will be permitted.
- t) Clothes Drying Equipment. No exterior clotheslines or other clothes drying apparatus shall be permitted, unless approved in writing by the Covenants Committee.
- u) Timeshares. No Lot shall be subjected to or used for any timesharing, cooperative, licensing or other arrangement that would entail weekly, monthly or any other type of revolving or periodic occupancy by multiple owners, cooperators, licensees or timesharing participants.

Section 8.3. Rules and Regulations

The Board of Directors shall have the power to adopt, amend and repeal Rules and Regulations restricting and regulating the use and enjoyment of the Property or of any portion thereof and the actions of the Owners and occupants which affect the Property, which may supplement, but may not be inconsistent with the provisions of the Association Documents.

[Section 8.4 was deleted in its entirety by majority vote of the homeowners, November 2, 2009]

Section 8.5. Leasing and Resale of Lots

- a) Leasing. No Lot upon which a single family dwelling or condominium unit is located, dwelling or any portion thereof shall be used or occupied for revolving use, transient or hotel purposes or in any event leased for an initial period of less than twelve months. This section 8.5 (a) shall not be applicable to the Builder. 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:

- (i) requiring the lessee to comply with the Association Documents; and
 - (ii) providing that failure to comply with the Association Documents constitutes a default under the lease. The Board of Directors may suggest or require a standard form provision for use by Owners.
- b) Notification. The contract seller of a Lot shall notify the Board of Directors or managing agent of the contract purchaser and the scheduled date and place conveyance will be accomplished.
- c) Association Disclosure Packet. The Board of Directors or managing agent 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. Re-Subdivision and Rezoning

- a) Resubdivision. A Lot may be subdivided, rezoned, or altered so as to relocate the boundaries between such Lot and any adjoining Lot only with the prior written approval of the Association.

ARTICLE 9 ARCHITECTURAL REVIEW

Section 9.1. Covenants Committee

- a) Purpose. The Board of Directors may establish a Covenants Committee, consisting of at least three persons appointed by the Board, each to serve a term of from one (1) to three (3) 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'), household members, 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.
- (i) The Covenants Committee shall regulate the external design, signage, appearance, use and Upkeep of the Property; The Covenants Committee established by the Board shall have the power to review initial construction on the Property.
 - (ii) 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 Board of Directors 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 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 such Owner's application.

- (iii) The Covenants Committee shall have the power (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 members, guests, employees, agents or invitees whose actions are inconsistent with the provisions of the Association Documents or the Rules and Regulations.
 - (iv) 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.
 - (v) Covenants Committee may propose Design Guidelines for approval by the Board of Directors. Such Design Guidelines approved by the Board of Directors (as the same may be amended by the Board of Directors from time to time) are hereby incorporated by this reference and shall be enforceable as if set forth herein in full.
 - (vi) A Majority Vote of the Covenants Committee shall be required in order to take any action. The Covenants Committee shall keep written records of all of its actions. Any action, ruling or decision of the Covenants Committee (but not the Initial Construction Committee) may be appealed within 30 days 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, decision or ruling or any other Person as determined appropriate by the Board, and the Board may modify or reverse any such action, decision or ruling.
- 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 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 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. The Covenants Committee or the Board of Directors shall have authority to regulate new construction or alterations of existing improvements.
- d) Time for Response: Variances. The Covenants Committee shall act on all matters properly before it within forty-five (45) days after its receipt of a correct and 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. Except when a request is being handled by the Covenants Committee, the Board of Directors shall be obligated to respond to any properly submitted written application for approval of a proposed structural addition, alteration or improvement within thirty (30) 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 an approval by the Board of Directors of the proposed structure, addition, alteration or improvement; provided, however, that neither the Board of Directors nor 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 stating the variance or exception 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.

Section 9.2. Architectural Review During the Development Period

During the Declarant Control Period, the architectural review is actually performed by the Declarant or his assigns or one of two committees, the Covenants Committee (appointed by the Board of Directors) or the Initial Construction Committee (appointed by the Declarant). After the Declarant Control Period has ended, architectural review, including initial construction reviews during the Development Period will be performed by the Association (either the Covenants Committee or the Board of Directors).

- a) Initial Construction. The Declarant shall have the right to adopt all initial Design Guidelines for the Property during the Declarant Control 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. Such Design Guidelines for initial construction, as the same may be amended by the Declarant during the Declarant Control Period from time to time, are hereby incorporated herein by this reference and shall be enforceable as if set forth herein in full. In the alternative, the Declarant has the right to appoint an Initial Construction Committee, consisting of at least three persons to perform such tasks or at the Declarant's sole option the Declarant may delegate such tasks to the Covenants Committee. The Initial Construction Committee may establish its own applications and procedures and may charge a fee for its review. Decisions of the Initial Construction Committee are not appealable to the Board of Directors. The Declarant or the Initial Construction Committee 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. The Declarant may appoint the Initial Construction Committee during the Declarant Control Period. After the Declarant Control Period ends, the Initial Construction Committee shall cease to exist. If the Declarant does not delegate its powers hereunder to an Initial Construction Committee or the Covenants Committee, then the Declarant may perform the functions of the Initial Construction Committee. All costs and expenses of the Initial Construction Committee not covered by application fees shall be deemed a Common Expense.
- b) Modifications and Rules Enforcement. The Covenants Committee in accordance with Section 9.1 shall conduct review of the plans for any additions, alterations or modifications to the exterior of existing improvements located on the Property, and possible violations of the Association Documents and Rules and Regulations by an Owner.

Section 9.3. Compensation of the Covenants Committee

One or more members of the Covenants Committee or the Initial Construction Committee may be compensated by the Association for their service on the Covenants Committee or the Initial Construction 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 or Improvements by the Owners

a) Approval.

- (i) No Person shall make any addition, alteration, improvement or change of grade in or to any Lot (other than for ordinary and routine Upkeep and not including areas within a building visible from the exterior only because of the transparency of glass doors, walls or windows), without the prior written approval of the Covenants Committee.

No Person shall paint, affix a sign not specifically permitted by the Rules and Regulations to or alter the exterior of any improvement, including the doors and windows, 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. Upon request, the Owner shall deliver all approvals and permits required by law to the Covenants Committee, the Board of Directors or the Declarant, as appropriate, prior to the commencement of the construction requiring such approval or permit.

If any application to any governmental authority for an approval or 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 approval has been given by the Declarant, the Board of Directors or the Covenants Committee, as appropriate, then the application shall be signed on behalf of the Association by an Officer or the managing agent without incurring any liability on the part of the Officer, the Declarant, the 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, at the expense of the Owner of the Lot, to conform to the Association Documents (including the Design Guidelines) within thirty (30) days after notice of the violation.

- (ii) **Section 9.4(a)ii was deleted in its entirety by majority vote of the homeowners, November 2, 2009.**
- (iii) The provisions of this section shall not apply to a Mortgagee (in possession of a Lot as a result of foreclosure, judicial sale or proceeding in lieu of foreclosure) which affixes a sign or takes 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 other ordinances and not detrimental to the value of the Property.

b) Limitations.

- (i) Any Person obtaining approval of the Covenants Committee shall substantially complete any construction or alteration within six months after the date of approval, or within such other period as specified in the approval. Notwithstanding the foregoing, the approval may provide for a different period during which to commence or complete construction. If any such Person does not complete the work within six months after

approval, or such other time period determined by the Committee, the approval shall lapse.

- (ii) Any Person obtaining approval of the Covenants Committee shall not deviate materially from the plans and specifications approved without the prior written approval of the Committee. Such Person shall notify the Committee when the alterations or improvements are complete. Approval of any particular plans and specifications or design does not waive the right of the Committee to disapprove such plans and specifications, or any elements or features thereof, if such plans and specifications are subsequently submitted for use in any other instance or by any other Person.
- c) Certificate of Compliance. Upon the completion of any construction or alteration in accordance with plans and specifications approved by the Covenants Committee, the Committee, at the request of the Owner thereof, shall issue a certificate of compliance, which shall be prima facie evidence that such construction or alteration referenced in such certificate has been approved by the Committee. 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 in the Declaration to the Covenants Committee shall be deemed to mean the Declarant or the Initial Construction Committee designated by the Declarant to perform architectural review of initial construction, and such initial construction shall be subject only to such limitations as determined by the Declarant.

ARTICLE 10 INSURANCE

Section 10.1. Authority to Purchase: Notice

The Board of Directors shall have the power and responsibility on behalf of the Association to:

- (i) purchase insurance policies relating to the Common Area and the activities of the Association;
- (ii) adjust all claims arising under such policies; and
- (iii) 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.

The Board of Directors, management, 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 available only at demonstrably unreasonable cost; or
- (iii) if the Association's insurance professionals advise that the coverages required 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 its authorized representative.

Reputable companies licensed or qualified to do business in Virginia shall write all policies of insurance.

Section 10.2. Physical Damage Insurance

The Board of Directors shall obtain and maintain insurance including fire damage, vandalism, malicious mischief, sprinkler leakage (if applicable), cost of demolition, debris removal, and water damage) insuring any improvements located on the Common Area (including without limitation any floor coverings, fixtures and appliances), together with all air conditioning and heating equipment and other service machinery contained therein and covering the interests of the Association. 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.

Section 10.3. Liability Insurance

The Board of Directors shall obtain and maintain commercial general liability (including libel, slander, false arrest and invasion of privacy coverage) and property damage liability insurance in such limits as the Board may from time to time determine, insuring the Association, each director, 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 tenant and such Owner's (or tenant's) household members, guests, employees, agents or invitees arising out of, or incident to the ownership or care, custody, control and use of the Common Area or legal liability arising out of employment contracts of the Association. Such insurance shall be issued on a comprehensive liability basis and shall contain:

- (i) 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;
- (ii) hired and non-owned vehicle coverage;
- (iii) host liquor liability coverage with respect to events sponsored by the Association;
- (iv) deletion of the normal products exclusion with respect to events sponsored by the Association; and
- (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to an Owner because of negligent acts of the Association or of another Owner.

The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than two million dollars.

Section 10.4. Other Insurance

The Board of Directors may obtain and maintain adequate fidelity coverage to protect against dishonest acts on the part of directors, Officers, trustees and employees of the Association and all others who handle or are responsible for handling funds of the Association, including the managing agent and volunteers. Directors and officers liability insurance in an amount not less than one million dollars; and such other insurance:

- (i) as the Board of Directors may determine;
- (ii) as may be as may be requested from time to time by a Majority Vote of the Owners.

ARTICLE 11 RECONSTRUCTION AND REPAIR

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.

ARTICLE 12 COMPLIANCE AND DEFAULT

Section 12.1. Enforcement Provisions

- a) Compliance. Each Owner and such Owner's tenants and such Owner's (or tenant's) household members, guests, employees, agents or invitees, shall be governed by, and shall comply with, all of the terms of the Association Documents and the Rules and Regulations, as amended from time to time. A default by an Owner in complying with the Association Documents or the Rules and Regulations shall entitle the Association, acting through its Board of Directors or through the managing agent, to the relief set forth herein.
- b) Additional Liability. Each Owner of a Lot shall be 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 or the act or omission of such Owner's tenant and such Owner's (or tenants') household members, guests, employees, agents or invitees, regardless of neglect or culpability, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Association. 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 and Rules and Regulations by any Owner may be assessed against such Owner's Lot.

- c) Costs and Attorneys' 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.
- d) No Waiver of Rights. The failure of the Association, the Board of Directors or an Owner to enforce any right, provision, covenant or condition which may be granted by the Association Documents shall not constitute a waiver of the right to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors or any Owner pursuant to any term, provision, covenant or condition of the Association Documents shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the 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.
- e) Interest. If a default by any Owner in paying any sum assessed against such Owner's Lot continues for a period in excess of thirty (30) days, interest at a rate not to exceed that interest rate then charged by the Internal Revenue Service on delinquent taxes (or charged by a similar agency of the Federal Government) may be imposed in the discretion of the Board of Directors on the principal amount unpaid from the date due until paid. 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.
- f) Right of the Declarant, Builder and Board of Directors to Remove or Correct a Violation of the Articles; Abating and Enjoining Violations. In the event of violation or attempted violation of this Declaration shall occur or be maintained upon any Lot, then the same shall be considered to have been undertaken in violation of this Declaration and without the approval of the Board of Directors and/or the Covenants Committee. The Declarant expressly and exclusively reserves to itself, any Builder and the Board of Directors, their successors and assigns, in case of any violation or breach of any of the conditions or agreements herein contained, the right to enter the Lot upon which the violation or breach exists and to correct same. The Declarant, any Builder and/or the Board of Directors shall not, by reason thereof, be deemed guilty of any manner of trespassing for such entrance, abatement, or removal, which shall be at the cost and expense of the Lot Owner upon which such condition or breach exists. Failure by the Declarant, any Builder or the Board of Directors to enforce any provision of this Declaration shall in no event be deemed a waiver of the right to do so thereafter as to the same breach or as to one occurring prior or subsequent thereto. The right to enforce any provision of this Declaration shall at all times remain exclusively with the Declarant, any Builder, the Board of Directors, and their successors, designees, and assigns (including the Covenants Committee). No individual Lot Owner shall have any right of enforcement of any of the provisions of this Declaration and all decisions, action or inaction by Declarant, any Builder, the Board of Directors, or their successors and assigns with respect to the enforcement of any of the provisions hereof shall be conclusive, final and binding on each individual Lot Owner.
- g) 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 Declarant, any Builder, the Board of Directors, or their successors and assigns, the managing agent or, if

appropriate, by any aggrieved Owner and shall not constitute an election of remedies. In a proceeding commenced by the Declarant, any Builder and the Board of Directors, or their successors and assigns in which injunctive relief shall not constitute full and adequate compensation, the Lot Owner against whom such proceeding is commenced shall further be subject to award of monetary damages to which the Court hearing such proceeding shall deem appropriate to adequately compensate the Declarant, any Builder, the Board of Directors and/or Lot Owners for the violation of the Covenants which are the subject of such proceeding.

- h) Charges and Suspension of Rights. The Board of Directors or the Covenants Committee, as appropriate, shall have the power to impose charges and to suspend
- (i) the right to vote in the Association pursuant to the Bylaws,
 - (ii) the right to use the recreational facilities (if any) and other Common Area (other than for access or utilities); and
 - (iii) other rights in the case of an Owner found to be responsible for a violation of the Association Documents or the Rules and Regulations; provided, however, that the Board or Covenants Committee may not deny an Owner use of the Common Area for ingress or egress to such Owner's Lot or for utility services.

Notwithstanding the foregoing, 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 (60) days, then such utility service may be discontinued to such Owner until payment of the Assessment for such service is made. Before any such charges or suspension may be imposed, the Person charged with such a violation shall be given notice and an opportunity for a hearing as set forth; provided, however, that voting rights and the right to use the Common Area may be suspended due to non-payment of Assessments without giving the Person charged with the violation notice and an opportunity for a hearing to the extent not prohibited by the POA Act or other law. Charges may not exceed Fifty Dollars (\$50.00) for each violation or Ten Dollars (\$10.00) per day for each violation of a continuing nature or such greater amount as may be permitted by law. Charges are Individual Assessments and shall be collectible as such and shall also constitute a lien against a Lot. Imposition of a charge does not preclude the liability of an Owner for reimbursement to the Association of costs incurred by the Association. The Board of Directors or Covenants Committee may determine to take certain other actions, including, without limitation, towing vehicles or performing Upkeep on a Lot without providing a hearing. The Board or Covenants Committee may deliberate privately, but shall either announce its decision in the presence of the respondent or give the respondent notice thereof.

- i) **Section 12.1(i) was deleted in its entirety by majority vote of the homeowners, November 2, 2009.**
- j) New Owner Address. If a new Owner does not give the Secretary or management company written notice of such Owner's name and the number or address of the Lot within thirty (30) 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 any 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, costs of collection, attorney's fees, etc.), made pursuant to the Association Documents, is hereby declared to be a lien against any Lot owned by such Owner in accordance with this Declaration. 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, the lien is effective ten (10) days after the date of notice to the Owner of such 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 by law. 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 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 prior fiscal years, 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 Virginia or by an action in the name of the Board of Directors, or the managing agent, acting on behalf of the Association. Any foreclosure sale is to be conducted in accordance with the provisions of the POA Act, if any, or Title 55, Sections 55-59.1 et seq. 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. 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 law. The Association shall have the power to bid on the Lot at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with such Lot, unless provided otherwise by the POA Act or other law.
- 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.

**ARTICLE 13
MORTGAGEES**

Section 13.1. Notice to Board of Directors

Upon request, an Owner who mortgages such Owner's Lot shall notify the Board of Directors of the name and address of the mortgagee. No mortgagee shall be entitled to any Mortgagee rights under the Association Documents unless such mortgagee has notified the Board of Its address as required by Section 13.2 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 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 or office to whom notices from the Association should be directed.

**ARTICLE 14
AMENDMENT; EXTRAORDINARY ACTIONS**

Section 14.1. Amendment by the Declarant

During the Declarant Control Period, the Declarant may unilaterally, without the approval or joinder of the Association, or any Owner, Mortgagee or Secondary Mortgage Market Agency, amend any provision of this Declaration or any Supplementary Declaration from time to time.

Section 14.2. Amendment by the Association

The Association may amend this Declaration (not including any supplementary Declaration) only with at least a Sixty-seven Percent (67%) Vote of the Owners or with the written approval of Owners entitled to cast at least sixty-seven percent (67%) of the total number of votes.

**ARTICLE 15
TERMINATION**

Section 15.1. 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. The Association may terminate this Declaration only with the approval of Owners entitled to cast at least sixty-seven percent (67%) of the total number of votes. The termination 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.

Section 15.2. Prerequisites

Written notice of the proposed termination shall be sent to every Owner and Mortgagee at least thirty (30) days before any action is taken. The Declaration may not be terminated during the Development Period without the prior written consent of the Declarant. Such termination shall not affect any permanent easements or other permanent rights or interests relating to the 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 15.3. Conveyance of Common Area 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 governmental agency devoted to purposes similar to those for which the Association was created or offered for dedication to the County; 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 the Owners in accordance with the requirements of Section 14.2. If the Association is dissolved prior to conveyance of a Lot to an Owner other than a Builder, then the Common Area and other associated assets of the Association may be distributed as determined by the Declarant.

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. This Declaration is executed by Stephen Allen West Jr. in his capacity as Managing Member of Somerset Deacon, L.L.C. pursuant to the Resolution recorded in the land records of Stafford County, Virginia in Deed Book ____, page ____.

SOMERSET DEACON, L.L.C.,
A Virginia Limited Liability Company

By: [Signature] (SEAL)

DEACON ROAD ESTATES ~~COMMUNITY~~ HOMEOWNERS
ASSOCIATION, INC.

By: [Signature] (SEAL)
, President

STATE OF VIRGINIA,

COUNTY OF STAFFORD, to-wit:

The foregoing was acknowledged before me this 19 day of April, 2004, by Stephen Allen West Jr., in his capacity as managing member of SOMERSET DEACON, L.L.C., and a Virginia limited liability company.

My commission expires: march 31, 2005

Quie B. Fermett
Notary Public

STATE OF VIRGINIA,

COUNTY OF STAFFORD, to-wit:

The foregoing was acknowledged before me this 19 day of April, 2004, by Stephen Allen West Jr., in his capacity as President of Deacon Road Estates Homeowners Association.

My commission expires: march 31, 2005

Quie B. Fermett
Notary Public

EXHIBIT A

Parcel 1: Legal Description

Parcel 2: Legal Description

Parcel 3: Legal Description

Stafford County, Virginia, Real Estate Tax Map Parcels:

COMMONWEALTH OF VIRGINIA
COUNTY OF STAFFORD TO-WIT:
IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT FOR
THE COUNTY OF STAFFORD, THE 21 DAY OF April 2004
THE FOREGOING ~~DEED~~ Declaration WAS PRESENTED AND WITH
THE CERTIFICATE ANNEXED ADMITTED TO RECORD AT 9:56
AND INDEXED AFTER PAYMENT OF \$ 5 TAX IMPOSED BY
58.1-800., ET, SEQ.

TESTE:

BARBARA G. DECATUR, CLERK

By: *Mildred F. Kendrick*

LAWYERS TITLE INSURANCE CORPORATION

Commitment Number: 02-4547

EXHIBIT A

SCHEDULE C
PROPERTY DESCRIPTION

The land referred to in this Commitment is described as follows:

PARCEL 1: ALL that certain tract or parcel of land together with all buildings and improvements thereon, situate, lying and being in the Falmouth District of County of Stafford, Virginia, recorded in Instrument Number 030001552.

AND BEING the same property conveyed by the Heirs/Owners of the Estate of Richard B. Stone, namely: James L. Stone, Jesse W. Stone, Robin L. Bowling, Lillian Marie Stone, Elizabeth R. Lewis, Kimberly L. Hawkins, Raymond L. Stone, Sidney L. Stone, and by the Executor of the aforesaid Estate, James L. Stone to Deacon Road Developers, L.L.C. and recorded in the Clerk's Office of Stafford County, Virginia, Instrument Number 030001552, also known as 469 Deacon Road Fredericksburg, Virginia 22406, on the 14th day of January, 2013, more specifically defined as follows:

1. ALL that certain tract or parcel of land together with all buildings and improvements thereon, situate, lying and being in the Falmouth District, County of Stafford, Virginia, on the Brook Station Road about four miles from Fredericksburg, described in Deed Book 40 Page 495 both said Plat of Survey and Metes and Bounds description being attached to and made a part of that deed; and

BEING a portion of the property conveyed to Richard B. Stone by deed dated the 6th day of October, 1938, by deed from B.L. Sullivan and Emma Sullivan, husband and wife, of record in the Clerk's Office of Stafford County, Virginia in Deed Book 40 at page 495; and

BEING a portion of the property conveyed to B. L. Sullivan and Emma Sullivan, husband and wife, by B.T. Sullivan and wife, by deed dated December 28, 1934 and recorded in the Clerk's Office of Circuit Court of Stafford County, Virginia, in Deed Book 33 at Page 362; and

BEING a portion of a 100 acre tract conveyed to B.T. Sullivan, by Henry Miller, Jr., by deed dated October 1, 1892 and recorded in the Clerk's Office of the Circuit Court of Stafford County in Deed Book 5 at Page 289, reference to both deeds being hereby made.

LAWYERS TITLE INSURANCE CORPORATION

Commitment Number: 02-4547

SCHEDULE C
PROPERTY DESCRIPTION

The land referred to in this Commitment is described as follows:

- BEING a portion of the aforesaid real property devised to the aforesaid Beneficiaries under the Will of Richard B. Stone said Will recorded in Will Book 27 at page 605, in the Clerk's Office of Stafford County, Virginia, now being a part of his ESTATE, entered into Probate on the 24th day of July, 1995, in said Clerk's Office.
- PARCEL 2: ALL that certain tract or parcel of land with all rights thereto attached, situate, lying and being in the Falmouth District, County of Stafford, Virginia, on the Brook Station Road about four miles from Fredericksburg, described in Deed Book 40 Page 496 both said Plat of Survey and Metes and Bounds description being attached to and made a part of that deed; and
- BEING a portion of the property conveyed to Richard B. Stone by deed dated the 6th day of October, 1938, from B.L. Sullivan and Emma Sullivan, husband and wife, of record in the Clerk's Office of the Circuit Court of Stafford County, Virginia in Deed Book 40 at page 495; and
- BEING a portion of the Grigsby tract; and
- BEING the same property conveyed to B.L. Sullivan and Emma Sullivan, husband and wife, by J.T. Stone and Mildred Stone by deed dated April 22, 1913, and recorded in the Clerk's Office of the Circuit Court of Stafford County, Virginia in Deed Book 14 at Page 451 reference to which deed is hereby made. Making a total area of fifty (50) acres, more or less conveyed; and
- BEING a portion of the aforesaid real property devised to the aforesaid Beneficiaries under the Will of Richard B. Stone said Will recorded in Will Book 27 at page 605, in the Clerk's Office of Stafford County, Virginia, now being a part of his ESTATE entered into Probate on the 24th day of July, 1995 in said Clerk's Office.

SCHEDULE C
PROPERTY DESCRIPTION

The land referred to in this Commitment is described as follows:

PARCEL 3: **ALL** that certain tract or parcel of land with all that certain tract of land with all improvements, lying and being in the Falmouth District, County of Stafford, Virginia, described in Deed Book 51 Page 290 said Plat of Survey and Metes and Bounds description being attached to and made a part of that deed; and

BEING a portion of the property conveyed to Richard B. Stone by deed dated the 6th day of December, 1943, by deed from the heirs of Broaddus T. Sullivan, deceased, their attorney in fact, James Ashby, of record in the Clerk's Office of Stafford County, Virginia in Deed Book 51 at page 290; and

BEING the same property of conveyed to Broaddus T. Sullivan by H.A. Miller, by deed dated October 1, 1892, and recorded in the Circuit Court of Stafford County Clerk's Office in Deed Book 51 at Page 289, less and except Forty Acres sold by the said Broaddus T. Sullivan to his son, Broadie L. Sullivan by deed dated December 28, 1934, and recorded in Deed Book 33 at Page 362, who in turn sold the same to Richard B. Stone, leaving Sixty Acres hereby conveyed the original tract containing 100 acres.

BEING a portion of the aforesaid real property devised to the aforesaid Beneficiaries under the Will of Richard B. Stone said Will recorded in Will Book 27 at page 605, in the Clerk's Office of Stafford County, Virginia, now being a part of his ESTATE entered into Probate on the 24th day of July, 1995 in said Clerk's Office.

Bylaws



BYLAWS

FOR

**Deacon Road Estates Homeowners Association, Inc
now to be known as Deacon Hill Estates Homeowners Association, Inc.**

ARTICLE 1 INTERPRETIVE PROVISIONS

Terms used herein without definition shall have the meanings specified for such terms in Section 13.1-803 of the Virginia Non-stock Corporation Act ("Act"). Definitions, terms and other interpretive provisions set forth in Article 2 of the Articles of Incorporation for Deacon Hill Estates Homeowners Association, Inc., ("Articles of Incorporation") and the Declaration for Deacon Hill Estates Homeowners Association, ("Declaration") are equally applicable to these Bylaws.

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 time and place 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 (10) months but not more than sixteen (16) months after the preceding annual meeting.

Section 2.2. Special Meetings

The Association may hold a special meeting:

- (i) upon the call of the President;
- (ii) if so directed by resolution of the Board of Directors;
- (iii) upon a petition presented to the Secretary and signed by Owners entitled to cast at least twenty five percent (25%) of the total number of votes(excluding the Declarant's votes); or
- (iv) 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 (180) days after the date of the first such signature. Such resolution, petition or request must:

- (i) specify the time and place at which the meeting is to be held;
- (ii) 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;
- (iii) specify the purposes for which the meeting is to be held; and

- (iv) 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

Notices of meeting shall be communicated to members by mail, e-mail, newsletter, community Bulletin Board, or other means as determined by the Board of Directors.

Section 2.4. 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.

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 ten percent (10%) 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. When voting on any matter requiring a vote by a specified percentage of each class of Owners or of a specific class of Owners, a quorum of each class of Owners or the specific class of Owners must be present in person or by proxy. 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 recess or adjourn the meeting to such date, time and place as such Owners may agree not more than thirty (30) days after the date and time the original meeting was called. At the meeting, the Secretary shall announce the date, time and place to which the meeting is recessed or adjourned and make other reasonable efforts to notify all Owners of the date, time and place at which such meeting shall be resumed and the Quorum shall be reduced by 50%.

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 may be as follows:

- (i) roll call (proof of quorum) (when so required);
- (ii) proof of notice of meeting (when so required);
- (iii) adoption of minutes of preceding meeting;
- (iv) reports of officers;
- (v) report of Board of Directors;
- (vi) reports of committees;
- (vii) may appoint inspectors for election (when so required);
- (viii) election of directors (when so required);

- (ix) unfinished business; and
- (x) new business; provided, however, that balloting for election of directors may commence at any time at the direction of the pre-siding 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 and time for determining which Persons are Owners and therefore entitled to vote ("Record Date") shall be the close of business on the tenth (10th) business day before the effective date of the notice to the Owners of the meeting, unless the Board of Directors shall determine otherwise. The Board shall not fix a Record Date more than seventy (70) 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 (10) 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 a proxy, that Person shall be entitled to cast the Owner's votes.
- c) 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 (60) 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 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.

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 the decision of how to vote to the proxy holder's discretion).

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 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 its members 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:

- i. Provide goods and services in accordance with the Association Documents and provide for Upkeep of the Common Area, and, to the extent provided in the Association Documents, of the Lots.
- ii. 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.
- iii. 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 land (to the extent the Association is so authorized by the Association Documents) and the general administration of the Association.
- iv. Adopt and amend any reasonable Rules and Regulations not inconsistent with the Association Documents.
- v. Open bank accounts on behalf of the Association and designate the signatories thereon.
- vi. Enforce the provisions of the Association Documents.

- vii. Act with respect to all matters arising out of any eminent domain proceeding affecting the Common Area.
- viii. Notify the Owners of any litigation against the Association involving a claim in excess of twenty percent of the total Annual Assessment for Common Expenses.
- ix. Obtain and carry insurance against casualties and liabilities, as provided in the Declaration, pay the premiums therefore and adjust and settle any claims thereunder.
- x. Pay the cost of goods and services rendered to the Association.
- xi. May notify the appropriate Mortgagee of any default by an Owner in paying Assessments for Common Expenses (which remains uncured for sixty (60) days) or for any other default, simultaneously with the notice sent to the defaulting Owner.
- xii. Provide, an Association Disclosure Packet or Common Expense Statement with respect to a Lot within fourteen (14) days (or as otherwise required by law) after a written request therefore and payment of the appropriate fee in accordance with the Declaration.
- xiii. Prepare an annual budget
- xiv. 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 for Common Expenses.
- xv. 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 (50%) of the total number of votes shall be required to borrow any sum in excess of twenty percent of the total Annual Assessment for Common Expenses for that fiscal year.
- xvi. Sign deeds, leases, plats of re-subdivision and applications for construction permits or similar documents for the Common Area owned in fee simple by the Association, 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.
- xvii. Dedicate, lease or transfer any portion of the Common Area owned in fee simple by the Association or grant, relocate or terminate easements, rights-of-way or licenses over and through all the Common Area pursuant to the Declaration and subject to the restrictions set forth in the Declaration.
- xviii. In its sole discretion, designate certain portions of the Common Area as Reserved Common Area,
- xix. In accordance with the Declaration, suspend the right of any Owner or other occupant of a Lot, and the right of such Person's household members, guests, employees, tenants, agents and invitees to use the Common Area.
- xx. Acquire, hold and dispose of Lots to enforce the collection of Assessments and mortgage the same without the prior approval of the Owners.
- xxi. 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 ninety (90) days thereafter at such time and place as shall be determined by a majority of the directors for the purposes of electing Officers, appointing any committee members and establishing 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 & 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 (2) 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, e-mail, telegraph, fax or telephone, 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 members of the Association of the place, date and time of meetings of the Board of Directors. No notice of the organizational meeting of the Board of Directors shall be necessary if such meeting is held immediately following the annual meeting. 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.
- 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.
- 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. A director who participates in a meeting by any means of communication by which all directors or committee members may simultaneously hear each other during the meeting shall be deemed present at the meeting for all purposes.
- 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.

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 fewer than three (3) directors. After the Declarant Control Period, the Board shall consist of three (3) 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, which may be affiliated with the Declarant, which manages multi-structure commercial projects or common interest communities. 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 these areas.

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 Section 4.1 (i), (ii), (iii), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii) and (xxi). 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 Section 4.1 (iv), (v), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx). The managing agent shall perform the obligations, duties and services relating to the management of the Property and the maintenance of reserve funds in compliance with the provisions of the Act and the Association Documents.

ARTICLE 6 OFFICERS

Section 6.1. Designation and Duties of Officers

The principal officers of the Association shall be the President, the Vice President, the Secretary\Treasurer, all of whom shall be elected by 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, such resignation shall take effect upon the receipt thereof, and acceptance 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 shall be 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 or otherwise by law; 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 practicable after any such Assessment is made; give each Owner notice and a copy of the Rules and Regulations and any amendment thereof; 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 otherwise 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

The managing agent may perform the duties of the Secretary or Treasurer at the direction of the Board of Directors or such Officers.

ARTICLE 7 COMMITTEES

Section 7.1. Committees

- a) Covenants Committee. The Board of Directors may establish a Covenants Committee as provided in the Declaration.
- b) Elections Committee. The Board of Directors may establish an Elections Committee as provided in 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 (2) 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 annually appoint and re-appoint the members of each committee and may either appoint the other committee members or leave such appointment to an appointed committee chair. The Board of Directors may remove a committee member with or without cause on three (3) days written notice; provided, however, that the Board of Directors may not appoint or remove any member of the Initial Construction Committee, such right being reserved to the Declarant.

Section 7.4. Committee Meetings

The procedures for committee meetings shall be the same as set forth for meetings of the Board of Directors.

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.

ARTICLE 8 FIDUCIARY DUTIES

Section 8.1. Signature Requirements

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 at 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 the Act.

Section 8.3. Liability and Indemnification

- a) No Personal Liability. The directors, Officers and members of any committee 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, management, and members of any committee to the extent that it is contemplated a non-stock corporation may indemnify its directors, officers, members 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 the Declaration, to purchase and maintain insurance on behalf of any person who is or was a director, Officer or member of a committee 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, unless such compensation is approved by a Majority Vote of the Owners. The foregoing 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 or 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 reviewed annually by an accountant or shall be audited upon

- (i) a Majority Vote of the Owners,
- (ii) at the request of a majority of the Mortgagees or
- (iii) upon the determination of the Board of Directors, by a certified public accountant retained by the Board who shall not be an Owner, an occupant of a Lot, or the managing agent or employee of the managing agent.

The cost of such review or audit shall be a Common Expense. 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 and as otherwise required by law.

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 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. 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 copies.

Section 9.3. Association Agent

The Secretary shall be responsible for filing the annual report with the Virginia Real Estate Board as required by Section 55-516.1 of the POA Act.

ARTICLE 10 NOTICES

Except as specifically provided otherwise in the 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 or wireless 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:

- (i) 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;
- (ii) 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
- (iii) 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.

If a Lot is owned by more than one Person, notice to one of the Persons comprising the Owner shall be sufficient notice to the Owner. Notice of meetings may also be included as part of the Association's newsletter or web page if the newsletter is delivered to every Lot.

ARTICLE 11 AMENDMENTS

These Bylaws may only be amended by a Majority Vote of the Owners if 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 approval of the Class B Owner, if any. No amendment to these Bylaws may diminish or impair the rights of the Mortgagees under the Bylaws.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Deacon Road Estates Homeowners Association, Inc., a Virginia non-stock 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 December 30, 2003.

IN WITNESS WHEREOF, I have hereunto subscribed my name on 19 day of April 2004



SECRETARY

STATE OF VIRGINIA,

COUNTY OF STAFFORD, to-wit:

The foregoing was acknowledged before me this 19 day of April, 2004, by Stephen Allen West Jr., in his capacity as managing member of SOMERSET DEACON, L.L.C., and a Virginia limited liability company.

My commission expires: march 31, 2005

gaie B. Fennott
Notary Public

STATE OF VIRGINIA,

COUNTY OF STAFFORD, to-wit:

The foregoing was acknowledged before me this 19 day of April, 2004, by Stephen Allen West Jr. in his capacity as President of Deacon Road Estates Homeowners Association.

My commission expires: march 31, 2005

gaie B. Fennott
Notary Public

Architectural Guidelines

These guidelines may be amended by the Board of Directors of Deacon Hill Estates HOA in accordance with its rules and regulations. In the event that these guidelines are in conflict with any Declaration or Covenants and Restrictions, Supplementary Declaration, or other governing document of Deacon Hill Estates HOA, then such other documents shall control over these guidelines.

SECTION 1 OBJECTIVES OF DEACON HILL ESTATES' ARCHITECTURAL GUIDELINES

The Primary functions of this document are (1) to address the architectural guidelines necessary to the maintenance and enhancement of Deacon Hill Estates and (2) to serve as a readily available guide.

The guidelines described in this booklet address improvements for which homeowners most commonly submit applications to the Committee. They are not intended to be all-inclusive or exclusive, but rather serve as a guide to what may be done. The specific objectives of the booklet are:

- a) To increase the residents' awareness and understanding of the Covenants that rule Deacon Hill Estates.
- b) To describe the architectural review procedures and to assist residents in preparing an acceptable application for review.
- c) To provide uniform guidelines for the review of applications. These guidelines reflect the goals of the founding documents of the Deacon Hill Estates Homeowners Association and the actions of the Association's Board of Directors.

SECTION 2 PROTECTIVE COVENANTS

The Declaration of Covenants and Restrictions ("Covenants") is one of the Deacon Hill Estates Association's governing documents. The Covenants set the standards by which Deacon Hill Estates quality of design is implemented and maintained.

Every Deacon Hill Estates property owner should have received a copy of the Covenants at settlement. If you do not have a copy, please contact the Deacon Hill Estates Homeowners Association management office for your copy of the Covenants. The Covenants have been recorded on the land records of Stafford County, Virginia and all lots sold within Deacon Hill Estates are sold subject to the Covenants. They "run with the land" and are binding on all property owners and their successors in title. For this reason alone, the Covenants should be periodically reviewed and fully understood by each property owner.

Please refer to Article 9, Architectural Review, and Article 12 Compliance and Default of the **Declaration** to review the Association's regulatory and enforcement provisions, which includes the ability to require that the homeowner remove, at their own expense, the unapproved alteration, levy a fifty dollar (\$50.00) fine for each violation or ten dollars (\$10.00) per day (up to 90 days) for violations of a continuing nature. Additional information about the Association's application, appeal, and enforcement procedures are located in Section 4.2c, d, and e of these Architectural Guidelines.

SECTION 3 COVENANTS COMMITTEE

Section 3.1. Covenants Committee

- a) Role. The role of the Deacon Hill Estates Association, of which every homeowner is a member, is not only to own and operate open space, but to conserve and enhance the resources of the total Homeowners. To ensure that these responsibilities are accomplished, the Board has established a Covenants Committee ("Committee"). The Committee ensures the retention of harmonious, though diverse, design qualities of the Homeowners. (Surveys of planned communities show that the existence of a Committee

is reflected in the preservation and enhancement of real estate values and is of prime importance to residents.)

- b) Functions. The Committee performs its task of ensuring aesthetic quality of the homes and their environs by establishing and monitoring the architectural review process. The Committee has two main functions:
 - (i) review of initial construction, to ensure that the development, site and architectural plans proposed by the builder are of high quality and reflect the aesthetic potential of Deacon Hill Estates; and
 - (ii) review of all applications submitted by residents, to ensure that proposed exterior alterations comply with the objectives set forth in the Covenants.

All restrictions and procedures set forth in this Architectural Guidelines booklet are in addition to the restrictions and procedures which must be followed and which are set forth in the applicable ordinances of Stafford County, Virginia. Compliance with these guidelines and with the ordinances of Stafford County is prerequisite to the alteration or addition to any house or lot within Deacon Hill Estates.

This booklet focuses on exterior alterations made by owners and reviewable by the Committee.

Section 3.2. Changes Requiring Committee Review

- a) The Covenants explicitly state that all exterior alterations, permanent or temporary, require the approval of the Committee, to-wit:

"No person shall make any addition, alteration, improvement or change in grade in or to any Lot ... or any portion of the Property without the prior written consent of the Covenants Committee. No person shall paint, affix a sign not specifically permitted by the Rules and Regulations to or alter the exterior of any improvement, including the doors and windows without the prior written consent of the Covenants Committee." (Declaration, Section 9.4(a)i).
- b) It is important to understand that Committee approval is not limited to major alterations such as adding a room or deck to a house, but includes such items as changes in color, materials, etc. Approval is also required when an existing item is to be removed.
- c) Also important to remember, and in accordance with the Covenants, once a plan is approved it must be implemented as approved. See Declaration, Section 9.4(b)ii.

Committee Review begins with the submission of an Architectural Review Application by the property owner proposing the project. Each such application for a change or modification is reviewed on an individual basis. There are no "automatic" approvals, unless provided for specifically in these Architectural Guidelines.

Section 3.3. Committee Exceptions

The Committee reviews site plans as part of its examination of Initial Constructions, including structures that are offered as builder options. Structures which are offered as builder options and are shown on original site plans do not require Committee approval. These structures, if built to exact builder option specifications, have already been approved by the Initial Construction Subcommittee and therefore do not require an additional application for review by the Committee.

SECTION 4 COMMITTEE AND APPLICANT REVIEW

Section 4.1. Review Criteria

The Committee reviews all submissions for exterior changes on the individual merits of the application. What may be an acceptable design for one exterior may not be for another. In short, evaluation of the design proposal includes the close review and consideration of the housing type and individual site.

Design decisions made by the Committee in reviewing applications are not based on any individual's personal opinion or taste. Judgments of acceptable design are based on the following criteria which represent, in more specific terms, the general standards of the Protective Covenants.

- a) Relation to the Deacon Hill Estates Open Space Concept. Fencing, in particular, can have damaging effects on open space. Other factors, such as removal of trees, disruption of the natural topography and changes in rate or direction of storm water run-off may also cause an adverse effect.
- b) Validity of Concept. The basic idea must be sound and appropriate to its surrounding.
- c) Design Compatibility. The proposed improvement 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.
- d) Location and Impact on Neighbors. The proposed alteration should relate favorable to the landscape, the existing structure and the neighborhood. The primary concerns are access, view, sunlight, ventilation, and drainage. For example, fences may obstruct view, breezes or access to neighboring property; decks or larger additions may cause unwanted shadows on an adjacent property or infringe on a neighbor's privacy.
- e) Scale. The size (in three dimensions) of the proposed alteration should relate well to adjacent structures and its surroundings. For example, a large addition to a small house may be inappropriate.
- f) Color. Color may be used to soften or intensify visual impact. Parts of the addition that are similar to the existing house such as the roof and trim must be matching in color.
- g) Materials. Continuity is established by use of the same or compatible materials as were used in the original house. Vertical wood siding on the original house should be reflected in an addition. On the other hand, an addition with wood siding may be compatible with a brick house. (the Committee realizes that options may be limited somewhat by the design and materials of the original house).
- h) Workmanship. Workmanship is another standard which is applied to all exterior alterations. The quality of work should be equal to or better than that of the surrounding area. Poor workmanship can create safety hazards and can be visually objectionable to others. (Deacon Hill Estates Homeowners Association assumes no responsibility for the safety of new construction by virtue of design or workmanship).
- i) Timing. The majority of alterations may be constructed or installed by residents themselves rather than a contractor. However, projects which remain uncompleted for long periods of time are visually objectionable and can be a safety hazard for neighbors and the Homeowners. All applications must include a start and completion date. If such time period is considered unreasonable, the Committee has the right not to approve the application. If a project is not

done within six months after approval, or such other time period determined by the Committee, the approval shall lapse (Declaration, Section 9.4(b)i).

Section 4.2. Architectural Review Application

The Committee has designed an Architectural Review Application (see Appendix; also available online at the HOA website: http://www.deaconestates.com/web-storage/GeneralDocuments/ARC_review_app.pdf) that must be completed and submitted prior to construction start. This application requests any information that may be useful in determining the detail and scope of the project.

a) Application Contents. A complete application requires the following information:

- | | | |
|--------|---|---|
| (i) | ite plan showing location of proposed structure, and relationship to property lines and adjacent houses. A site plan is a scaled drawing of the lot (site) which shows the exact dimensions of the property, adjacent properties, if applicable, and all improvements (including those covered by the application). The plat plan you receive when you purchase your home will provide a basis for your site plan. More complex applications may require 10 or 20 scale blowups (i.e., 1" = 10', 1" = 20') of the plat plan. Contour lines are required when drainage is a consideration. | S |
| (ii) | etailed drawings and plans including exterior elevations and dimensions. A full set of architectural drawings must be included. | D |
| (iii) | escription of materials including type of siding on dwelling and proposed structure, color of proposed structure and trim, exterior lighting arrangements, etc. | D |
| (iv) | t is required that the final application be a duplicate of those documents which are to be submitted to Stafford County for a building permit, and should also include colors, materials, and drawing, brochures, or photographs as required, to illustrate the relation of the alteration to the applicant's house and adjacent houses where necessary. | I |
| (v) | andscape plans, fencing type, shed type, etc. | L |
| (vi) | stimated start and completion date. | E |
| (vii) | ignatures from the four most adjacent neighbors signifying their acknowledgement that they have been provided notice of the proposed project. | S |
| (viii) | opy of the building permit (if applicable). | C |

An application is required for all elevated decks. The only exceptions are builder option decks that are on original plans and approved. A complete deck application requires the following information:

- (i) Site plan showing the relationship of the deck to the house, lot and adjacent properties.

- (ii) A description of materials to be used (e.g., wood; composite materials such as ProCell or Trex).
- (iii) Dimensions of railing, posts, stairs, steps, benches, and other details as required to clearly describe the proposal. Include height of deck off the ground. The applicant must also demonstrate compliance with applicable Stafford County ordinances which govern the enclosure of elevated decks.

Note for all raised decks (above 4' off the ground): if the under deck area is not being used as a living space, the Committee may require screening with latticing, landscaping, or both.
- (iv) Color of the deck. Include the color if stain or paint is to be used. Only stains or paints of natural wood colors may be permitted. The Committee recommends the wood be allowed to weather naturally.
- (v) Details of changes to windows and doors, if applicable.
- (vi) Details of deck lighting, including location and wattage, if applicable.
- (vii) Estimated start and completion date.

Please review all appropriate sections of the Architectural Guidelines prior to completion of the application (i.e., landscaping, lighting, fencing, etc.).

- b) Review Procedures. All applications shall be filed with the HOA. Each application will be reviewed to verify its completion. If information pertinent to the review of the application is missing, the application will be marked "incomplete" and returned. If the application is complete, the review process will begin.

All applications will be open to the public for review and comment. A Committee decision is required on all completed (all information and signatures received) applications with 30 calendar days after its receipt by the Committee. Applicants with special cases that require an interpretation will be notified and asked to be present for the meeting concerning their case. The Committee decision will be sent by letter to the address on the application.

- c) Appeal Procedure: An applicant may appeal an adverse decision if it is felt that the following occurred during the application review:
 - (i) Proper procedures were not followed during the administration and review process.
 - (ii) The applicant and any other affected residents attending the meeting were not given a fair hearing.
 - (iii) The Committee decision was arbitrary and without a rational basis.

To initiate the appeal procedure, the applicant must make a verbal request for an appeal within 48 hours of receiving the Committee decision and a written request must follow within five (5) working days. Other affected residents or neighborhoods who wish to appeal the decision must make a verbal request within 48 hours after the Committee decision, again followed by a written request within five (5) days. The Committee will review its original decision and if the Committee decision is still unsatisfactory to the applicant, a second appeal can be made to the Board of Directors.

- d) Enforcement Procedures: The Covenants require the Committee to ensure that lot changes or modifications are in accordance with the original approval plans and the basic architectural standards. Should a violation occur, the following procedures, adopted by the Board of Directors, will be implemented:

- (i) All violations will be confirmed by a site visit by the Committee Administrator, Committee member, or Management Agent
- (ii) A Notice of Violation doortag will be left at the front door of the home in violation, or a written violation notice will be sent by email or postal mail.
- (iii) If the violation is not resolved within fifteen (15) calendar days after the first doortag has been left or the first written notice is emailed/postmarked, a second written notice will be sent by email or USPS Priority Mail, with Delivery Confirmation.
- (iv) If the violation is not resolved within 15 calendar days after the second notice is postmarked, a notice informing the resident of the time and place of a hearing concerning the violation will be sent by USPS Priority Mail, with Delivery Confirmation.
- (v) If the violation cannot be resolved by the Committee, it will be turned over to the Board of Directors with a recommendation for levying a fine and/or taking legal action.

SECTION 5 MODIFICATIONS/CHANGES REQUIRING APPLICATION

Section 5.1. Major Exterior Alterations

- a) Major alterations are generally considered to be those which substantially alter the existing structure either by subtraction and/or addition. However, other site changes such as driveway modifications are also included. Major building alterations include, but are not limited to, construction of driveways, garages, porches, greenhouse (attached and detached), rooms, fireplaces, chimneys, other additions to a home, etc.
- b) The design of major alterations should be compatible in scale, materials and color with the applicant's house and adjacent homes.
- c) The location of major alteration should not impair the view, the amount of sunlight, or the natural ventilation of adjacent properties.
- d) Pitched roofs must match the slope of the roof on the applicant's house.
- e) New windows and doors should match the type used in the applicant's house and should be located in a manner which will relate well to the location of exterior openings in the existing house.
- f) If changes in grade or other conditions which will affect drainage are anticipated, they must be indicated. Approval will be denied if adjoining properties are adversely affected by changes in drainage.
- g) Construction materials must be stored so that impairment of view from neighboring properties is minimized. Excess material should immediately be removed after completion of construction. No debris may be allowed to accumulate during construction.

Section 5.2. Fines for Unapproved Projects & Ongoing Violations

All exterior modifications or changes require approval prior to starting. A fine of \$50 shall be levied against lots that begin projects without receiving approval from HOA. Ongoing violations may be subject to a fine of ten dollars (\$10.00) per day, up to ninety (90) days, the maximum allowable by law.

Section 5.3. Fences

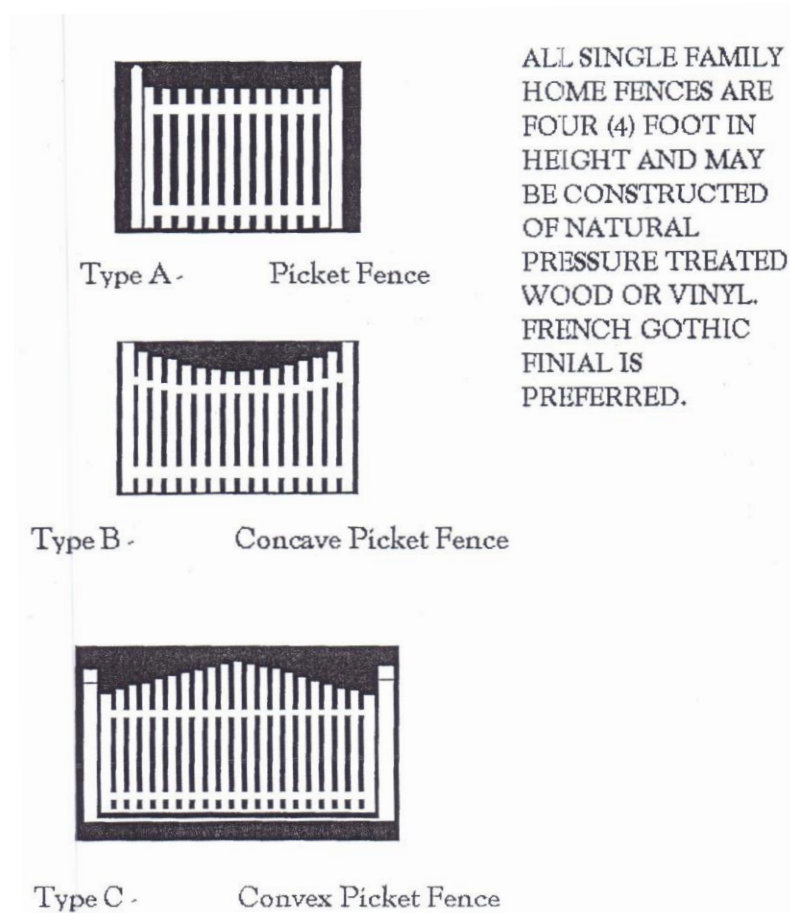
Fences have traditionally been used as a physical and visual separation of two pieces of property, a notification that here one person's land begins and another's end. This tradition continues, but as today's landscape and living style change, so do the use, location, and design of fences. Now that residential lots are becoming smaller, it is usually attractive and desirable to visually extend properties beyond the property lines. This should be kept in mind when considering fencing, which by its very nature tends to physically define and separate areas and makes yours appear smaller. The use of plant materials alone can be an alternative.

Unquestionably, a fence will be shared by neighbors even if the neighbors have only to look at the other side of it. Proper fencing can have a unifying effect upon a neighborhood. Improper fencing can detract from the appearance of a neighborhood. Cluttering a neighborhood with an uncoordinated selection and placement of fences should be avoided. Cooperation among neighbors in this matter can affect the visual and psychological harmony of an area. Therefore, it is important to remember in choosing a fence that there are various needs other than simply having a fence.

The purpose of these fencing guidelines is to provide each residential lot with the atmosphere of a larger open area. Fencing, if it is carelessly used or placed, encroaches upon open space and can even destroy it. Fences require review; please refer to Section 4.2 for details regarding an application to install a fence.

- a) Purposes of Fencing. Fencing is used to separate property, provide security and visual privacy, or architecturally define space. In achieving any of these goals, a barrier is created which has a both visual and physical impact on the boundaries of common land and properties of adjacent homeowners. Careful consideration should be given to the basic fencing concept and the manner in which the concept is executed. Fencing should be compatible with the applicant's house, but it should also be appropriate for its intended purpose.
 - (i) Property Separation. Where the homeowners goal is property separation open fences provide visual definition of boundaries without obstructing views.
 - (ii) Security. Many homeowners wish to restrict children or pets to or from their property. Property line fences cannot be counted on to provide security for dogs.
 - (iii) Privacy. While fencing can be used to create private outdoor spaces, homeowners should also consider ventilation. A private space with no cooling breezes on a summer afternoon can be unpleasant. To avoid this, the homeowner might choose from several fencing designs depending on the amount of privacy desired. A spaced board fence is "semi-open" and allows natural ventilation while affording varying degrees of privacy dependent on the size of the boards and spaces between them. More privacy may be obtained, while still allowing ventilation, by the use of landscaping. The height of a fence, the topography of the land, the relative distance of any observer affects both the amount of privacy afforded by a fence and its degree of visual impact.
 - (iv) Visual Effect. Fencing that architecturally defines a space are usually created for the visual effect rather than the functional effect (i.e., landscaping an area to make it attractive as opposed to providing a barrier). In many cases, architectural considerations are combined with a functional fence to enhance the overall visual effect of the barrier.

- b) General Guidelines. The spacious character of neighborhood is compromised by excessive fencing. The height and design of fences should generally conform to other fencing in the Neighborhood and the the figure shown under Section 5.3.b(viii) of these guidelines.
- (i) Fencing should relate to the principal architectural feature of the house in design, location and the way in which it connects to the existing house.
 - (ii) Planting schemes can be integrated and may be required with fencing to soften the visual impact.
 - (iii) Fencing must be an "open" type and should not exceed 4 feet in height. Applications for fences up to 6 feet in height may be approved only under unique circumstances of a homeowner's needs and lot considerations. The degree of "openness" of fences depends on their use. Solid style fences are not permitted.
 - (iv) Front yard fences are not allowed. Fence should be generally restricted to the rear yard.
 - (v) Corner lot fencing should not extend closer than 6 feet to either street than the closest point of the house to that street. Relationship to adjacent houses and other side factors will also be considered in determining fencing locations.
 - (vi) Gates should be compatible to fencing in design, material, height, and color.
 - (vii) Fencing which is finished on one side only must be constructed with the finished side facing out.
 - (viii) Black aluminum or wrought iron fences are preferred. Chain link, privacy, board-on-board, and split rail fences are not allowed, except on a temporary basis and only with the approval of the Committee. Several picket fence types have been approved for use in Deacon Hill Estates. These are outlined in the figure below, and may be constructed of natural, pressure-treated wood or vinyl. The homeowner is reminded that these types are for general consideration.



- c) **Materials and Colors.** Fencing should be compatible with the materials and colors in the applicant's house and the adjacent houses. Continuity of texture and scale of materials should be considered. In many cases, wood fencing may be left to weather naturally.
- (i) In houses with wood siding and strongly expressed wood trim, the greatest continuity is often achieved through relating a wood fence to the trim. Property line wood fences should be of an earth tone or left to weather naturally.
 - (ii) Wire mesh screening used to increase security as part of an "open fence" will be considered only in special cases. The wire mesh will be attached on the inside of the fence and will not extend above the top rail.
 - (iii) Fencing shall match or blend with existing adjacent fencing. If a neighborhood fence standard has been adopted, all fencing will match such standards.

Section 5.4. Sheds

Deacon Hill Estates is envisioned as a community of Homeowners in which each of its parts relates well and is properly integrated into the whole of its design. This depends largely upon the organization and the harmony of each element to its environment. One such element is the storage shed and the shed's relationship to the house it serves and to its neighbors. Any storage shed has an aesthetic impact on neighbors. An inappropriately placed or poorly designed shed can visually and functionally negate an otherwise desirable residential area.

Cluttering a neighborhood through uncoordinated selection and placement of sheds must be avoided. Cooperation among neighbors in this matter can affect the visual and psychological harmony of an area. Therefore, it is important to remember in choosing and locating a shed that there are needs other than storage which must be considered.

a) Design Criteria

- (i) The design of a storage shed is directly related to its location and the house it serves as the relationship between the house and the shed determines the type of shed to be used.
- (ii) The shed must be designed to appear as part of the house, with siding to match, shingles to match color and material or may be part of under deck.
- (iii) The shed must be designed to respect the "visual rights" of neighboring properties. For convenience, sheds have been placed in two categories based upon the shed's relationship to the house.

b) Freestanding Sheds. Freestanding sheds should be located in rear yard and preferably behind the house so as not to be visible from road. Exceptions will be made for treed or sloped lots but not to put the shed close to neighboring side lots.

c) Sheds Attached to House or Deck

- (i) Design. The architectural design of the shed must be compatible with the design of the house, and may be built below an elevated deck.
- (ii) Materials. The finish materials used for the shed must be the same as the exterior finish of the house. If the shed is built below a deck which is elevated 8 feet or less, the material must match the deck.
- (iii) Color. The color scheme must be the same as that on the house or deck.
- (iv) Roof. The roof slope, type of slope, and color of the roofing material (shingles, etc.) must match those of the house, if not built under elevated deck.
- (v) Size. While sheds must provide sufficient volume for their intended use, they must be of a size which is appropriate for the size of the property and which is architecturally compatible with the applicant's house and adjacent houses.

Section 5.5. Decks, Patios, Sidewalks, and Pathways

Patios provide a means for ground level extensions of indoor space with less visual impact than elevated decks. Applicants should view fence and shed design criteria with respect to visibility, privacy and materials. When patio or deck schemes include other exterior changes, such as fencing, lights, planting, etc., other appropriate sections of these Guidelines will also be applicable.

- a) Location: Patios or decks must be located in rear yards. Front and side yard locations will be evaluated on their individual merits. County Codes must be followed in the construction and permit issued in regard to set backs and railings.
- b) Underdeck Storage: When using an underdeck area for informal storage, the impact on neighbors must be kept in mind. Storage should be maintained so as to present a neat, uncluttered appearance. Special underdeck storage screening or landscaping will be required. In addition, landscaping may be required to hide tall, spindly deck supports.

- c) Drainage: If changes in grade or other conditions which will affect drainage are anticipated, they must be indicated. Approval will be denied if adjoining properties are adversely affected by changes in drainage. If a patio is being considered, attention should be given to making ground level surfaces of porous material or to providing mulched beds that offset impervious deck or patio area.
- d) Sidewalks and Pathways. Stone and brick pathways or sidewalks should be set back at least 4 feet from the property line and generally be installed flush to the ground.

Section 5.6. Swimming Pools

- a) Permitted Types. Only in-ground pools will be considered. Above-ground pools are not allowed. See Declaration, Section 8.2(r).
- b) Location. Pools for swimming will be located in rear of the house only.
- c) Limitations on Baby/Wading Pools. Baby/wading pools not more than 10 feet in diameter and 18 inches deep are allowed. They must be emptied and when not in use. They may be used from May 1 till October 1 of each year and then must be stored out of sight. Baby/wading pools discouraged and will only be considered if all off-site visual impact is mitigated.

Section 5.7. Recreation and Play Equipment

The desire for swings, basketball backboards, tot lots, etc. on detached lots or neighborhood property is frequently expressed. Most equipment of this sort is commercially available but is often less than pleasing in appearance. Creatively designed equipment is encouraged. The guidelines listed below are provided in an effort to reconcile the need for play equipment with the goal of minimizing its visual impact. See also Declaration, Section 8.2(k).

- a) Location and Size. Equipment must be placed in rear yards. Consideration must be given to lot size, equipment size and design, amount of visual screening, etc.
- b) Materials and Color. Play equipment constructed of wood is encouraged. Metal play equipment, exclusive of the wearing surfaces (slide poles, climbing rungs etc.), 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 dwelling or fence, painted to match the background or screening structure. Other play equipment colors will be considered, contingent upon location and landscaping. Basketball backboards secured to detached house or garage should be painted to match or blend with the background. A contrasting rectangular color outline may be painted on the backboard behind the goal.
- c) Basketball Backboards. Basketball backboards may be secured to detached houses or garages provided that proper consideration is given to color as noted below not visible from the street. No basketball goals are permitted beyond the front plane of the house. Basketball goals may have to be screened from view from road. Permanent goals are permitted with pole and backboard to be painted to match the house colors.

Section 5.8. Landscaping and Vegetable Gardens

- a) Design Criteria.

- (i) Care should be exercised in the planting and maintenance of trees and shrubs to prevent obstruction of sight lines required for vehicular traffic.
- (ii) Also, the view of neighboring units and shade patterns of larger trees should always be considered.
- (iii) All gardens must be neatly maintained throughout the growing season; this includes removal of all unused stakes, trellises, and dead growth.
- (iv) See Declaration, Section 8.2(j) for landscaping rules against obstructing sight lines or utility easements.

b) Changes NOT Requiring Application. An Application is not required for:

- (i) Foundation planting.
- (ii) Single plantings (i.e., one tree, one shrub, etc.).
- (iii) Rear yard plantings.
- (iv) Vegetable gardens that meet the three criteria below. If any of these criteria are NOT met, an application is required.
 1. V
 vegetable garden is located between the rear line of the house, the rear property line and side line of the house.
 2. V
 vegetable garden does not exceed 1/4 of the area described above in the previous bullet ("1.").
 3. V
 vegetable garden is not planted on a grade exceeding a ratio of 5 feet to 100 feet.

c) Changes Requiring Application

- (i) Retaining Walls. All retaining wall installations require Committee approval.
- (ii) Hedges. If proposed hedges are more than 2 feet in height or 8 feet in length, or if other features become structures, fences or screens.
- (iii) Railroad Ties or Garden Timbers. If either ties or timbers form a wall over 18 inches in height and/or 4 feet in length.
- (iv) Rock Gardens. If a rock or collection of rocks exceed 24 inches in any direction. All rocks will remain their natural color.
- (v) Vegetable Gardens If all the conditions listed under Section 5.8, b, iv are NOT met an application must be submitted.
- (vi) Tree Removal. The following trees may NOT be removed without prior Committee approval (see also Declaration, Section 8.2(l)):
 1. Live trees with a diameter in excess of 4 inches, measured 12 inches above ground.

2. Live trees with a diameter in excess of 2 inches, measured 12 inches above ground, which are generally known as flowering trees (i.e., redbud or dogwood) or as broadleaf evergreens.
3. Live vegetation on slopes greater than 20% gradient or marked "no cut" areas on original plans.

NOTICE: Residents are PROHIBITED from cutting any trees located in Common Areas or within Transitional Screening Easements without written permission from the Association.

NOTICE: Some of the Common Areas have been protected with Conservation Easements and cutting of trees in those areas may constitute a criminal or civil offense. Residents are advised to consult with the Stafford County Extension Office and the Deacon Hill Estates Association staff for compliance with county ordinances on tree cutting.

- d) Compost Piles. Composting may be done only if the compost is cultivated in a proper compost container; the compost container must first be applied for and approved. Compost piles are prohibited in Deacon Hill Estates.

Section 5.9. Exterior Privacy Enclosures

Exterior privacy enclosures that hide exterior air conditioning units, swimming pool pumps, trash cans, etc. are permitted but require prior review and approval. The enclosures should not exceed 5 (five) feet in height and should have an opening or gate to allow for servicing of any equipment placed within the enclosure (see example at <http://www.improvementscatalog.com/product/metal-trash-can-screen-enclosure.do>). If the enclosure is made from wood, see Section 5.3 Fences for guidelines regarding materials, color, and maintenance. Latticed privacy panels/screens are preferred, and must match the exterior of the home. Freestanding panels must be staked securely so they are not easily blown down. Panels that have fallen over should be placed upright promptly.

Section 5.10. Exterior Decorative Objects

- a) Definition. Approval will be required for all exterior decorative objects, both natural and manmade. Exterior decorative objects include such representative items as:
 - (i) bird baths
 - (ii) wagon wheels
 - (iii) sculptures
 - (iv) fountains
 - (v) ponds
 - (vi) stumps
 - (vii) driftwood piles
 - (viii) freestanding poles of all types and
 - (ix) items attached to approved structures.

- b) Location. Fixtures in front plain of house and yard are strongly discouraged and difficult to get approved.
- c) Flagpoles. Permanent flagpoles are not allowed. Homeowners wishing temporary flagpole staffs which do not exceed six feet in length and are attached at an incline to the front wall or pillar of the house or dwelling unit need not have an application.
- d) Firewood. Firewood shall be kept neatly stacked and located to the rear of the residence, within an owner's property line. Piles larger than two cords require approval. Piles longer than 6' should be 2 rows deep minimum. Piles must not exceed 4' in height for safety. Firewood piles must contain firewood only, no storage of debris. Location should be in such a manner as to minimize visual impact. In certain cases, screening may be required.

Section 5.11. Awnings and Trellises

Awnings and trellis work provide an effective means for controlling glare and excessive heat build-up on windows and door openings and help reduce summer energy consumption and utility costs. The material in which sun control is implemented has considerable effect on the exterior appearance of a house, and the desirable benefits of sun exposure in the winter, fall, and spring.

Materials are available for application on the inside of windows to reduce thermal transmission and glare. These materials may provide effective and economical alternatives to awnings and trellises. Effective sun control can often be provided by such simple measures as planting deciduous trees to shade windows from undesired sun exposure.

- a) Definitions. A trellis filters the sun and is permanent. Design allows winter sun in while keeping out hot summer sun. Awnings block sunlight and are seasonal.
- b) Design Criteria
 - (i) Awnings and trellises must be compatible with the architectural character of the house in terms of style, color and materials.
 - (ii) Awnings should be of straightforward design without decorative embellishments such as scallops, fringes, and contrasting colored stitches.
 - (iii) Awnings and trellises should be consistent with the visual scale of the house to which they are attached.
- c) Location. Only location in rear of the house approved.

Section 5.12. Exterior Lighting

- a) Exterior Lighting. No exterior lighting shall be directed outside the applicant's property. Lighting which is a part of the original structure must not be altered without Committee approval. Light fixtures which are proposed in place of the original fixtures must be compatible in style and scale with the applicant's house.
- b) Detached Solar Collectors. Detached solar collector panels will be reviewed under the same criteria as storage sheds with consideration for the special requirements of sun orientation.
- c) Solar Panels. Panels mounted to the front side of roofs must be flush with the roof. Panels mounted to the back side of roofs may be flush or elevated. If elevated, they will not extend above the roof peak so far

that they are visible from the yards of facing houses across streets or roadways.

- d) Lamp Posts. Each home has a lamp post stationed in the front yard, by the garage. Lights for these lamp posts should be maintained regularly (i.e., bulbs replaced when out; power source checked) so that the community has lighting at night.

Section 5.13. Exterior Painting

Color changes apply not only to the house siding, but to the doors, shutters, trim, roofing, and other appurtenant structures. Change of exterior color for single family houses should relate to the color of the houses in the immediate area. Change of exterior colors in attached houses should be in conformance with established neighborhood guidelines or selected from one of the existing neighborhood colors. Repainting or staining a specific object to match its original color need not be submitted.

Section 5.14. Storm and Screen Doors & Windows

Rising energy costs have encouraged homeowners to take measures to conserve energy through installation of storm doors. Energy conserving measures, however, should and can be done without compromising the visual quality of the neighborhood.

- a) Design Criteria. Doors should be straightforward without ornamentation such as scallops, scrolls and imitation gate hinges.
- b) Color. Storm or screen doors should be painted to be the same color as the entry doors behind them or trim of door. However, special consideration will be given to doors that are the same color as architectural trim, siding and existing storm windows. Consideration will depend upon the design of the particular door and its relation to the design of the house and adjacent houses.
- c) Conforming Storm Doors. Full view or plain paneled doors which are the same color as the entry door or trim do not require submission of an application.
- d) Burglar Bars. Burglar bars or similar equipment attached to the exterior of a home may not be installed without prior written approval of the Committee. See Declaration, Section 8.2(k), Accessory Improvements.

Section 5.15. In-Home Businesses

Stafford County regulates in-home businesses. In addition to County control, the Association is concerned about the impact of in-home business on the residential character of the neighborhood and on adjacent neighbors. While in-home business is encouraged as a source of income and Homeowners diversity, customer-oriented businesses are not allowed.

No Lot containing a single family dwelling shall be used for any business, commercial, manufacturing, mercantile, storage, sales or other similar purposes; provided, however, that an Owner may maintain an office or home business in the dwelling on such Owner's Lot if:

- (i) Such office or home business is operated by 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 as a residence.

- (iii) Such office or business does not generate 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.
- (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 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 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

SECTION 6 MISCELLANEOUS GUIDELINES

Section 6.1. Air Conditioning (In-Window Units)

Air conditioning units extending from windows are prohibited.

Section 6.2. Antennas and Satellite Dishes

Exterior television or other antennae and satellite dishes exceeding 24 inches of any kind are prohibited, unless approved in writing by the Covenants Committee. However Federal Communication Commission regulations provide that certain satellite receivers may not be prohibited by restrictive covenants; accordingly, any receivers subject to such regulations are allowed. See also Declaration, Section 8.2(m), Antennas.

Section 6.3. Attic Ventilators

Attic ventilators and turbines are encouraged but must match the siding or trim on the house if mounted on a gable end or be painted to match the roof if placed on a roof. Roof location shall be on the least visible side of the ridge pole.

Section 6.4. Carports

No free-standing carports will be allowed in Deacon Hill Estates. See Declaration, Section 7.6, Parking, and Section 8.2(o), Vehicles for additional information.

Section 6.5. Dog Houses and Runs

Dog houses must be compatible with the applicant's house in color and material, and must be located where they will be visually unobtrusive. The same criteria apply to dog houses as to storage sheds.

Dog runs are not permitted (see Section 6.11, below).

Section 6.6. Electronic Insect Traps

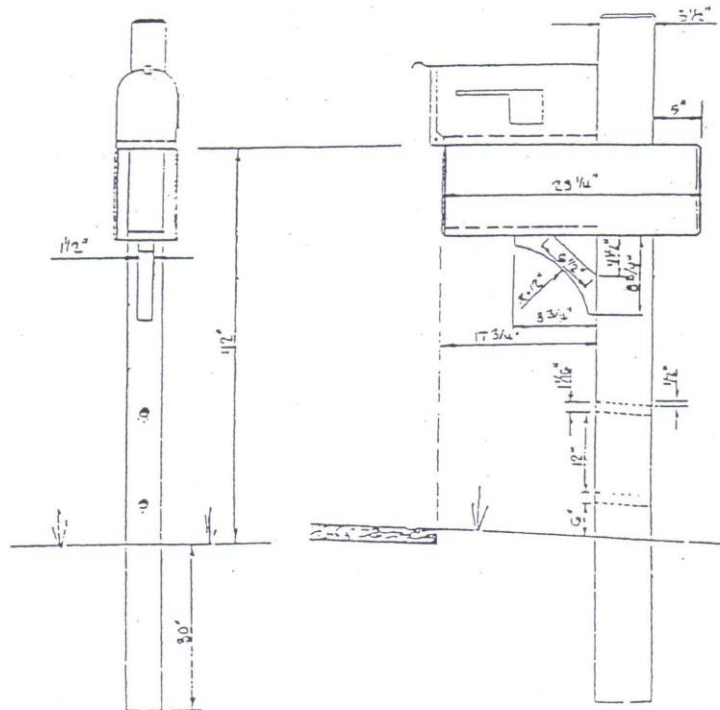
Electronic insect trap regulation will be based on the same criteria as exterior lighting. In addition, no device shall be installed or maintained in such a way as to cause discomfort to adjacent owners from noise and may only be operated during those times when the immediate area protected by the trap is operated by the owner or his guests.

Section 6.7. Grills

Permanent cooking or barbeque grills should be placed in the rear of the house and must not be located within the rear side plains of the house. Portable grills may be placed at the top of the driveway to cool, but may not remain in view longer than 24 hours.

Section 6.8. Mailboxes

Mailboxes are a functional necessity, not a decorative item. Since they are usually in a very visual location, they must be straight-forward in design and mounted on simple posts. They must be of design as shown in the figure below. They must be located so as not to obstruct sidewalks or sight lines in accordance with postal regulations. The standard mailbox is black, mounted on a white vinyl post and newspaper box. Only mailboxes and newspaper tubes meeting Design Guidelines or approved by the Covenants Committee will be permitted.



Section 6.9. Real Estate Sales/Rent Signs

Real estate signs must meet Stafford County regulations with respect to size, content and removal. Signs may only be placed in the front yard of the property available. All "for sale" signs must be removed 48 hours after contract acceptance. See Declaration, Section 8.2(h) for restrictions regarding other types of signs, flags, banners, or similar items.

Section 6.10. Trash Cans

Container shall not be placed for pickup at appointed locations prior to 6:00 p.m. on the previous evening. Trash to be placed for pickup in containers manufactured for trash storage purposes only or in containers supplied by the trash contractor. Paper or plastic grocery bags are not sufficient. See Declaration, Section 8.2(i), Trash for restrictions regarding trash storage and collection, and Architectural Guidelines, Section 5.9, Exterior Privacy Enclosures, for guidelines regarding exterior enclosures for storing trash cans outside of the house.

Section 6.11. Temporary Structures

No structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel, run, stable, or other accessory building shall be erected, used, or maintained on any Lot except in connection with construction and only with the prior written approval of the Committee.

Section 6.12. Animals

The appropriate governmental authorities shall have an easement across the Property to enforce local animal control laws and ordinances.

- a) Number. The maintenance, keeping, boarding or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited on any Lot or upon the Common Area, except that the keeping of guide animals and a reasonable number of orderly, traditional domestic pets, 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.
- b) Nuisance. Any such pet causing or creating a nuisance unreasonable disturbance, noise, or is vicious breed shall be permanently removed from the Property upon ten (10) days written notice from the Board of Directors.
- c) Pet Control. Pets shall not be permitted upon the Common Area unless accompanied by someone who can control the pet and unless carried or leashed.
- d) Pet Droppings. The Owner responsible for the pet being on the Property 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.

Section 6.13. Hunting and Firearms

No hunting or trapping of any kind and no discharge of any firearm or other weapon shall be permitted within the Property, except as necessary to control wildlife as determined and approved by the Board of Directors. Any such approved hunting or trapping by the Association shall be conducted in accordance with all applicable laws and ordinances.

Section 6.14. Clothes Drying Equipment

No exterior clotheslines or other clothes drying apparatus shall be permitted, unless approved in writing by the Covenants Committee.

SECTION 7 MAINTENANCE GUIDELINES

Property ownership includes the responsibility for maintenance of all structures and grounds which are a part of the property. This includes, but is not limited to items such as mowing grass, removal of trash, and structural maintenance. Maintenance affects the visual character and economic values of the property and neighborhood, and in some cases, safety. These issues can often be dealt with best at the neighborhood level. Violations of maintenance standards are violations of the Covenants. See also Declaration, Section 8.2, Restrictions on Use for additional information regarding waste, compliance with laws, noise, obstructions, and use of common areas.

Section 7.1. Erosion Control

Each resident is responsible for seeing that their lot area is protected from erosion and that storm drain structures are not blocked so as to cause additional erosion problems which will promote silt in ponds and stream valley.

Section 7.2. Exterior Appearance

Residents are responsible for maintaining the exterior of their dwellings and any other structures on their lots, such as decks, fences, sheds, and playground type equipment.

While it is difficult to provide precise criteria for what the Association deems as unacceptable condition, the following cases represent some of the conditions which would be considered a violation of the Covenants:

- (i) Peeling or fading paint on exterior trim or siding
- (ii) Dented mailboxes, or mailboxes and/or stand in need of repainting.
- (iii) Playground equipment which is either broken or in need of repainting.
- (iv) Fences with either broken or missing parts.
- (v) Sheds with broken doors or in need of painting or other types of repair.
- (vi) Decks with missing or broken railings or parts, or parts in need of staining or painting.
- (vii) Concrete or masonry block foundations and, in attached units, party walls in need of repair or repainting.

Most residents, undoubtedly, would not allow any of the above conditions to exist, as they seek to preserve and protect their investment in their homes and to limit their personal liability by keeping all improvements on their lots

in good condition. The Association expects that all residents will do this necessary maintenance to prevent any of the cited conditions from occurring in Deacon Hill Estates.

Section 7.3. Mowing and General Yard Maintenance

Turf areas need to be mowed at regular intervals maintaining a maximum height of 6 inches. Grass must cover the yard and bare spots must be addressed. Planted beds, shrubs, and trees must be kept in a neat, pruned, weed-free, and orderly manner.

Section 7.4. Trash Removal

Each resident is responsible for picking up litter on his property and preventing wind-blown debris originating on his land.

At no time is open space considered a dumping ground for inorganic debris. Organic debris such as leaves, grass clippings and branches may not be dumped on open space.

Removal of trash and debris from all open space areas accumulating from resident usage will be completed as necessary. Remember that the removal of trash costs the Association dollars, and voluntary resident and neighborhood cleanup, in addition to controlling litter at the source, saves everyone money.

SECTION 8 ESTOPPEL CERTIFICATE

As required by the Covenants, an Estoppel Certificate is to be completed and issued to your settlement attorney prior to the closing of the sale of your home. This certificate provides current information on (1) the status of assessment payments and (2) the existence of any nonconforming exterior architectural changes/modifications to your home (this includes any changes or modifications made — the builder completed his approved plan).

The Estoppel Certificate protects the future buyer of a home from unknown problems of the past owner's architectural changes or past-due assessments. If everything is in order, it also protects the seller from potential law suits involving violations of the Covenants by subsequent owners.

The information necessary to complete an Estoppel Certificate is on file at the Deacon Hill Estates Association Office. The current status of your assessment payments and any Architectural Review Applications approved by the Committee will be in the lot file for your address. To obtain your Estoppel Certificate for your property, call the Committee Administrator as soon as you know your settlement date. The Association may charge you a nominal fee for the preparation of an Estoppel Certificate. The amount of the fee will be determined by the Association.

SECTION 9 AMENDMENTS TO THE ARCHITECTURAL GUIDELINES

The Committee will conduct a yearly evaluation of the Architectural Guidelines to determine if amendments are necessary. The actual amendments will be adopted, as were the original Guidelines, by the Board of Directors.

**APPENDIX
ARCHITECTURAL REVIEW APPLICATION**



Architectural Review Application
Deacon Hill Estates HOA
P.O. Box 9064, Fredericksburg, VA 22403

INSTRUCTIONS

1. Please review carefully the Architectural Guidelines section of your Disclosure Packet.
2. Include the signatures of four (4) property owners who are immediately adjacent to your lot. These neighbors are those who are most affected by your request, by proximity or by view.
3. Describe in full detail your exterior change or modification. Attach exhibits (such as sketches, pictures, drawings, clippings, catalog illustrations, etc.) to provide to the Covenants Committee the clearest description possible of the final product.
4. All applications must include the following items:

<input type="checkbox"/> Copy of your plat (provided when you closed on your home)	<input type="checkbox"/> Specification of materials for all improvements
<input type="checkbox"/> Picture or architectural drawing of proposed modification(s)	<input type="checkbox"/> Copy of the building permit (if applicable)
<input type="checkbox"/> Measurements of all improvements (exterior elevations)	<input type="checkbox"/> Signatures from your nearest four neighbors
<input type="checkbox"/> Color scheme and other details affecting exterior appearance	<input type="checkbox"/> Signed copy of this two-page application

In accordance with the legal documents of the Deacon Hill Estates Homeowners Association, I, _____, request consideration and approval for the following modification(s) to my lot, located at _____ (lot # ____).

DESCRIPTION OF MODIFICATION(S)

Estimated start date: _____ Estimated completion date: _____

NEIGHBOR SIGNATURES

Your signature below indicates an awareness of the Applicant's intent and does not constitute nor indicate approval or disapproval.

Name (print) _____
Address/Lot # _____
Signature _____

Name (print) _____
Address/Lot # _____
Signature _____

Name (print) _____
Address/Lot # _____
Signature _____

Name (print) _____
Address/Lot # _____
Signature _____



Architectural Review Application

Deacon Hill Estates HOA

P.O. Box 9064, Fredericksburg, VA 22403

My signature below indicates my affirmation of the following statements:

1. Nothing herein contained shall violate any of the provisions or Building and Zoning Codes of Stafford County, to which the above property is subject. Further, nothing herein contained shall be construed as a waiver or modification of any said restriction.
2. I understand that the Building Ordinance of the Stafford County Building Department requires that I file plans with the Building Inspector in Stafford, Virginia for construction requiring a Building Permit.
3. I understand that any construction or exterior alteration undertaken by me, or in my behalf, before approval of this application is not allowed. If alterations are made, I 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 that I may be required to pay all legal expenses incurred.
4. I understand that members of the Covenants Committee ("Committee") are permitted to enter upon my property at any reasonable time for the purpose of inspecting the proposed project, the project in progress, and the completed project, and that such entry does not constitute a trespass.
5. I understand that any approval is contingent upon construction or alterations being completed in a workmanlike manner.
6. I understand that the application review process usually takes no longer than 15 calendar days if a "conforming" application is submitted and that a Committee decision is required on all complete applications within 30 calendar days of the receipt of said application by the Committee.
7. It is understood that I am aware of the Deacon Hill Estates Declaration of Covenants and Restrictions with regard to the review process established by the Board of Directors.
8. I understand that the alteration authority granted by the Committee will be automatically revoked if the change and/or modification requested has not commenced within 180 days of the approval date and/or completed by the date established by the Committee.

Applicant's Signature

Date

Telephone Number

Email Address

DO NOT WRITE BELOW THIS LINE

RECOMMENDATION: Approved

Disapproved

DATE: _____

REMARKS: _____

If you disagree with the Covenants Committee's recommendation and wish to appeal the decision with the Board of Directors, you must inform the Board verbally within 48 hours, and in writing within five (5) working days of notice of the Committee's decision.

Addendum 1:

Deacon Hills Estate Home Owner Association (HOA) Bylaws

The purpose of this addendum is for the Deacon Hills Estate HOA to comply with the Common Interest Community Ombudsman Regulation. This regulation requires that associations set rules for receiving and considering complaints from members and other citizens. Specifically, the regulation (i) requires associations to establish written complaint procedures; (ii) requires the maintenance of association complaint records; (iii) sets time frames in which associations must complete certain actions; (iv) indicates the consequences for failure of an association to establish and utilize a complaint procedure; and (v) establishes procedures and forms for filing a notice of final adverse decision. The law that authorizes the Board to establish these regulations is found in Chapter 29 (§ 55-530) of Title 55 of the Code of Virginia. Information about this regulation can be found at www.dpor.virginia.gov/cic-ombudsman.

In accordance to the Ombudsman Regulation, Deacon Hills Estate HOA is adopting the following formalized written complaint process effective September 28, 2012.

1. Deacon Hills Estate HOA must receive a complaint in writing. Attachment 1 is the Association Complaint Form.
2. The complaint form can be provided upon request from the HOA Secretary and/or a sample form is provided within the Deacon Hills Estate HOA Governing Documentation. The Deacon Hills Estate HOA Governing Documentation can be found online at www.deaconestates.com.
3. The complaints can be emailed to the HOA Secretary; and/or delivered through certified mail from United States Postal Service (USPS) to the points of contact listed on the HOA website at www.deaconestates.com.
4. The HOA will provide written acknowledgement of the receipt of the complaint to the complainant within seven days of receipt through electronic means via email. The HOA will be responsible for providing sufficient proof of the electronic delivery; unless the complainant request other another form of communications such as hand delivered or mailed by registered or certified mail, return receipt requested, to the complainant at the address provided.
5. In addition to the Association Complaint Form; the complainant must provide the following information based upon the basis of the complaint; so if the complaint is in regards to:
 - a. Architectural Review Board (ARB) violation. Provide a copy of the violation notice must be at provided.
 - b. Architectural Review Board (ARB) Hearing/Fining Actions. Provide a copy of the hearing and/or fining notice and all supporting correspondence between the HOA and/or ARB members in regards to the actual complaint.
 - c. Architectural Review Board (ARB) Corrective Actions/Assessment/Liens. Provide a copy of the hearing and/or fining notice and all supporting correspondence between the HOA and/or ARB members in regards to the actual complaint.
 - d. In addition, to the extent the complainant has knowledge of the law or regulation applicable to the complaint, the complainant shall provide that reference, as well as the requested action or resolution.
6. The HOA Board of Directors shall call a special board meeting within fourteen (14) days of receipt of the complaint, for the purposes to review the complaint and assess whether additional information

- is required from the complainant. If additional information is required, the HOA Secretary will send notice to the complainant via electronic means unless another form of communication is requested for additional information. The complainant will have fourteen (14) days to provide the requested information; unless both parties agree upon a documented firm fixed date.
7. When the HOA deems enough information has been provided, the HOA will notify complainant of a date, time, and location that the matter will be discussed by the HOA via electronic means unless another form of communication is requested.
 8. After the final determination is made, a written notice of final determination shall be delivered electronic means unless another form of communication is requested within seven (7) days. The notice of final determination shall be dated as the date of issuance and will include specific citations to applicable association governing documents, laws, or regulations that led to the final determination, as well as the registration number of the association. The notice of final determination shall also include the complainant's right to file a Notice of Final Adverse Decision with the Common Interest Community Board via the Common Interest Community Ombudsman and the applicable contact information.
 9. A complainant may file a notice of final adverse decision in accordance with § 55-530 F of the Code of Virginia concerning any final adverse decision that has been issued by an association in accordance with this chapter.

Attachment 1: Deacon Hills Estate HOA Association Complaint Form

Pursuant to Chapter 29 of Title 55 of the Code of Virginia, the Board of Directors (Board) of the Deacon Hills Estate HOA has established this complaint form for use by persons who wish to file written complaints with the Association regarding the action, inaction or decision by the governing board, managing agent or association inconsistent with applicable laws and regulations.

Legibly describe the complaint in the area provided below, as well as the requested action or resolution of the issues described in the complaint. Please include references to the specific facts and circumstances at issue and the provisions of Virginia laws and regulations that support the complaint. If there is insufficient space, please attach a separate sheet of paper to this complaint form. Also, attach any supporting documents, correspondence and other materials related to the complaint.

Sign, date and print your name and address below and submit this completed form to the Association at the address listed above.

_____ Printed Name	_____ Signature	_____ Date
_____ Mailing Address		
_____ Lot/Unit Address		
_____ Contact Preference	_____ Email Address	_____ Phone Number

If, after the Board’s consideration and review of the complaint, the Board issues a final decision adverse to the complaint, you have the right to file a notice of final adverse decision with the Common Interest Community Board (CICB) in accordance with the regulations promulgated by the CICB. The notice shall be filed within 30 days of the date of the final adverse decision, shall be in writing on forms provided by the Office of the Common Interest Community Ombudsman (Ombudsman), shall include copies of any supporting documents, correspondence and other materials related to the decision, and shall be accompanied by a \$25 filing fee. The Ombudsman may be contacted at:

Office of the Common Interest Community Ombudsman
Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400
Richmond, VA 23233
804/367-2941
CICOmbudsman@dpor.virginia.gov

Approved by HOA Board of Directors on 9/25/2012