

DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS
FOR MILLWOOD ESTATES

THIS DECLARATION is made this 25th day of March, 1986, by SCARBOROUGH CORPORATION, a New Jersey corporation (hereinafter referred to as “Declarant”).

R E C I T A L S

A. Declarant is the owner in fee simple of certain real property located in the Springfield Magisterial District, Fairfax County, Virginia, more particularly described on Exhibit A hereto.

B. Declarant desires to (i) create a residential community with permanent parks, open spaces, walkways, parking lots, street lighting, and other facilities for the benefit of the community; (ii) ensure the attractiveness of the individual lots and community facilities; (iii) provide for the enhancement of the property values in said community; (iv) prevent nuisances to the members of the community and (v) provide for the maintenance of said parks, open spaces, walkways, parking lots, street lighting, and other facilities. To accomplish this, Declarant wishes to subject such real property to certain covenants, conditions, restrictions, reservations, easements, servitudes, liens and charges provided herein (collectively, the “Covenants and Restrictions”).

C. Declarant has created MILLWOOD ESTATES HOMOWNERS ASSOCIATION, a Virginia non-stock corporation, as the organization to which should be

delegated and assigned the powers of owning, maintaining and administering the community property and facilities, administering and enforcing the Covenants and Restrictions set forth in this Declaration, and collecting and disbursing the assessments and charges required by this Declaration.

NOW, THEREFORE, Declarant hereby covenants and declares, on behalf of itself and its successors and assigns, that the real property described on Exhibit A hereto that is subjected to the provisions of this Declaration by that certain Deed of Dedication, Subdivision, Easement, and Conveyance recorded in the land records of Fairfax County, Virginia, immediately following the recordation of this Declaration, and any other real property subjected to the provisions of this Declaration pursuant to Section 10.6 hereof, shall be held, conveyed, acquired and occupied subject to the terms and provisions of the Covenants and Restrictions set forth in this Declaration, all of which shall run with the land and bind and inure to the benefit of all persons or entities who now have or hereafter may acquire any right, title, estate or interest in or to said property.

ARTICLE I

DEFINITIONS

The following words when used in this Declaration, or in any amendment to this Declaration, shall (unless the context clearly indicates otherwise) have the following meanings:

1.1 "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of Millwood Estates Homeowners' Association.

1.2 “Association” shall mean and refer to Millwood Estates Homeowners’ Association, a non-stock corporation organized under and pursuant to the laws of the Commonwealth of Virginia, and its successors and assigns.

1.3 “Board of Directors” or “Board” shall mean and refer to the Board of Directors of Millwood Estates Homeowners Association.

1.4 “By-Laws” shall mean and refer to the By-Laws adopted by the Board of Directors of Millwood Estates Homeowners’ Association.

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

1.6 “Declarant” shall mean and refer to Scarborough Corporation, a New Jersey corporation, any assignee of Scarborough Corporation (if an appropriate document is executed and recorded assigning to such assignee all rights reserved to Declarant in this Declaration with respect to all or any portion of the Property and/or Lots), or any entity succeeding to any of Declarant’s rights under this Declaration by foreclosure, by acceptance of a deed in lieu of foreclosure, or by any similar proceeding.

1.7 “Declaration” shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions, and any amendments thereto duly recorded in the land records of Fairfax County, Virginia.

1.8 “Lot” shall mean and refer to a portion of the Property designated as a numbered lot or a lettered outlot on any plat of subdivision of the Property recorded in the

land records of Fairfax County, Virginia, and all improvements on such land.

1.9 “Member” shall mean and refer to every person or entity who holds membership in the Association.

1.10 “Millwood Estates” shall mean and refer to the property that is from time to time subject to this Declaration.

1.11 “Mortgagee” shall refer to a first mortgage or a first deed of trust on any Lot or the Common Area, if the Association has been notified in writing of the existence of such mortgage or deed of trust.

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

1.13 “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, but shall exclude those having such interest merely as security for the performance of an obligation, such as any Mortgagee, until such Mortgagee has acquired record title pursuant to foreclosure or any procedure in lieu of foreclosure.

1.14 “Property” shall mean and refer to all of the real property, with improvements thereon or thereto, described on Exhibit A hereto that is subjected to the provisions of this Declaration, and all other real property (including the improvements thereon) that may hereafter be subjected to the provisions of this Declaration.

1.15 “Restrictive Covenants” shall mean and refer to the restrictive covenants set forth in Article VI hereof.

ARTICLE II

THE ASSOCIATION

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

2.2 Voting Rights. The Association shall have two classes of voting membership:

2.2(1) Class A: Class A Members shall be all Owners with the exception of the Class B Member. Class A Members shall be entitled to one vote for each Lot in which they hold the ownership interest required for membership by Section 2.1 above. When more than one person holds such ownership interest in any one Lot, all such persons shall be Members. The vote for such Lot shall be exercised as such persons determine among themselves, but in no event shall more than one vote be cast with respect to any Lot, except as provided in Section 2.2(2) below.

2.2(2) Class B: Declarant shall be the sole Class B Member. The Class B Member shall be entitled to three votes for each Lot in which it holds the ownership interest required for membership by Section 2.1 above. The Class B membership shall cease and be converted to a Class A membership with one vote for each Lot owned upon the happening of the earlier to occur of either of the following events:

- (a) When the total votes outstanding in the Class A

membership equal the total votes outstanding in the Class B membership (provided, however that Declarant's Class B membership for each Lot owned by it shall be automatically revived if it subjects an additional parcel of land to the provisions of this Declaration; provided further, that such revived Class B membership shall be subject to later termination as provided In this Section 2.2(2)), or

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

2.3 Powers and Duties. The Association shall have the following powers and duties:

2.3(1) To enforce any or all Restrictive Covenants which are imposed by the terms of this Declaration or which may hereafter be imposed on any part of the Property. Notwithstanding the foregoing, nothing contained herein shall be deemed to prevent any Owner from enforcing any Restrictive Covenants in his own name. The right of enforcement granted in this Section 2.3(1) shall not serve to prevent any changes or modifications of any restrictions or reservations by any party who has properly reserved such right in an individual deed or contract, in the plats of subdivision, or in this Declaration. Additionally, said right of enforcement shall not have the effect of preventing the assignment of the rights enumerated in the immediately preceding sentence by the proper parties wherever and whenever such right of assignment exists. The expenses and costs of any enforcement proceedings initiated by the Association shall be paid out of the assessments paid to the Association, as hereafter set forth; provided, however, that the foregoing authorization to use the assessments for such enforcement proceedings shall not preclude the Association from collecting such costs from the offending Owner;

2.3(2) To provide for the costs of operation, and the maintenance and repair of any and all improvements, structure, or facilities which may exist or be erected from time to time on any Common Area, specifically including any parking areas, street lights, trails, tot lots, all-purpose recreational courts, or other recreational facilities or areas;

2.3(3) To build facilities upon any part of the Common Area;

2.3(4) To use the Common Area and any improvements, structures or facilities erected thereon subject to the general rules and regulations established and prescribed by the Association, including any charges for the use of such facilities;

2.3(5) To maintain the Common Area, including doing any act that is necessary or desirable in the judgment of the Association to maintain the Common Area in a neat and orderly fashion, subject to the restrictions, if any, set forth on the plat(s) of subdivision recorded in the land records of Fairfax County, Virginia, relating to the requirement of the Association to obtain the approval of applicable Fairfax County authorities prior to taking certain actions with respect to such Common Area;

2.3(6) To exercise all rights and control over any easements which the Association may from time to time acquire, including, but not limited to, those easements specifically reserved to the Association in Article VIII of this Declaration;

2.3(7) To create, grant and convey easements upon, across, over and under the Common Area including, but not limited to, easements for the installation, replacement, repair and maintenance of utility lines serving any Lot(s);

2.3(8) To create subsidiary corporations;

2.3(9) To employ counsel and institute and prosecute such suits as the Association may deem necessary or advisable, and to defend suits brought against the

Association;

2.3(10) To employ from time to time such agents, servants and laborers as the Association may deem necessary for the purpose of exercising the powers, rights and privileges granted to it, including the power to employ a managing agent to administer the Association's affairs;

2.3(11) To make contracts for providing services to the Association, the Common Areas, the Owners, or the Lots, including, if desired, contracting for trash collection on behalf of the Owners;

2.3(12) To enter upon individual Lots and correct any violation of the Restrictive Covenants set forth in Article VI of this Declaration, as further set forth in Section 6.17 of said Article VI;

2.3(1.3) To fix, levy, collect, and enforce payment of all charges and assessments provided for in this Declaration;

2.3(14) To accept title to the Common Area and to hold and administer the Common Area for the benefit and enjoyment of the Owners and occupants of Lots;

2.3(15) To make and enforce regulations governing the use of the Common Area;

2.3(16) To cause all officers or employees having fiscal responsibilities to be bonded, and to secure liability insurance covering the acts or omissions of members of the Board of Directors, officers, committee members, and employees, as the Board of Directors shall deem appropriate;

2.3(17) To procure and maintain adequate liability insurance and adequate hazard insurance on the Common Area;

2.3(18) To make and enforce rules and regulations governing the use of parking areas within the Common Area, specifically including the right to designate a maximum of two parking spaces within the Common Area for the exclusive use of the Owner of each Lot; provided, however, that nothing herein shall require the Association to make any such designations or to ensure that the parking spaces are available for the use of any particular Owner of a Lot, nor shall the Association be required to supervise or administer the use of the parking lots located in the Common Areas; and

2.3(19) To exercise such other or additional rights as are conferred upon the Association pursuant to the terms of this Declaration.

ARTICLE III
PROPERTY RIGHTS

3.1 Owners Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to such Owner's Lot, subject to the following restrictions or reservations:

3.1(1) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

3.1(2) The right of the Association to limit the number of guests of Members at any such recreational facility;

3.1(3) The right of the Association, in accordance with any applicable provisions of the Articles of Incorporation and By-Laws, to borrow money for the purpose of

improving the Common Area and facilities, and, with the assent of more than two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, to mortgage the Common Area, subject to this Declaration and the easement of enjoyment created hereby, provided that any such mortgage of the Common Area shall not be in conflict with such Common Area's designation as "open space";

3.1(4) The right of the Association to suspend any Member's voting rights and such Member's right to use any recreational facilities constructed on the Common Area for any period during which the assessment against such Member's Lot remains unpaid for a period of at least 30 days beyond the due date, and for a period not to exceed 60 days for any infraction of the Association's published rules and regulations;

3.1(5) The right of the Association at any time and consistent with the then existing zoning ordinances of Fairfax County, including any "open space" requirements, or upon dissolution, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members; provided, that no such dedication or transfer shall be effective unless it shall be approved by at least two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose. Upon such affirmative vote, the officers of the Association shall execute the necessary documents;

3.1(6) The right of the Association to grant to any public utility, with or without payment to the Association, and consistent with the "open space" designation of any Common Area, easements for the construction, reconstruction, installation, repair or necessary maintenance of utility lines through or over any portion of the Common Area. The foregoing shall not be construed, however, to permit any such public utility to acquire or

damage any improvements situated upon the Common Area, without the payment of damages, if any, to the Association;

3.1(7) The right of the Association to establish rules and regulations governing the use of the Common Area, including the right set forth in Section 2.3(17) to establish rules and regulations governing the parking lots within the Common Area; and

3.1(8) The right of the Association to lease all or any part of the Common Area, provided that such lease(s) must:

(a) be to non-profit organizations only, and such organizations must give preference to Members of the Association with regard to membership and use of facilities;

(b) prohibit assignment and subleasing;

(c) require approval by the Association of uses of the Common Area and facilities, which must be in accordance with this Declaration;

(d) be consistent with the then existing ordinances of Fairfax County, Virginia; and

(e) be consistent with the "open space" designation of such Common Area.

3.2 Delegation of Use. Any Member may delegate such Member's right of enjoyment of the Common Area and facilities to the members of his family, his tenants, or any contract purchaser(s) who reside on such Member's Lot.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation of Assessments.

Declarant, for each Lot owned within the Property, hereby covenants, and each owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association:

(a) annual assessments or charges, and

(b) special assessments for capital improvements, or other

specified items, such assessments to be fixed, established and collected from time to time as hereinafter provided. All annual and special assessments, together with interest as hereinafter provided, costs of collection, and reasonable attorneys' fees, shall be a charge on the land and, except as otherwise provided in Section 4.9 hereof, shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs of collection, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them.

4.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Property, including, without limitation, the payment of taxes on, and improvements, operation, and maintenance

of, the Common Area (specifically including any street lighting within Millwood Estates).

4.3 Basis and Maximum of Annual Assessments.

4.3(1) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Six Hundred Dollars (\$600.00) per Lot.

4.3(2) Beginning and effective January 1 of the year immediately following the conveyance of the first Lot to an Owner, and for each succeeding January 1, the maximum annual assessment then in effect may be increased (effective January 1 of each year) without a vote of the membership by the greater of (a) five percent of the maximum assessment then in effect, or (b) the product obtained by multiplying the maximum annual assessment then in effect by the percentage increase in the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for All Urban Consumers - (CPI-U). Washington, D.C.,-MD,-VA, All Items (1967 = 100) (the "Consumer Price Index"), between the Consumer Price Index most recently published prior to November 1 fourteen (14) months prior to the effective date of such adjustment, and the Consumer Price Index most recently published prior to November 1 two (2) months prior to the effective date of such adjustment.

4.3(3) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above that established by Section 4.3(2), provided that any such change shall be approved by a vote of at least two-thirds (2/3) of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, written notice of which (setting forth the purpose of the meeting) shall be sent to all Members not less than 25, nor more than 50 days

in advance of the meeting.

4.3(4) The Board of Directors shall be authorized to fix the annual assessment to an amount not in excess of the maximum.

4.4 Special Assessments. In addition to the annual assessments authorized above, the Association may levy in any calendar year a special assessment applicable to that year only for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of a capital improvement on the Common Area, including the fixtures and personal property related thereto, or for any other specified purpose, provided that any such assessment (except for those authorized by Section 7.4(2) of this Declaration) shall be approved by a vote of at least two-thirds (2/3) of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, written notice of which (setting forth the purpose of the meeting) shall be sent to all Members not less than 25, nor more than 50 days in advance of the meeting.

4.5 Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all Lots not owned by Declarant. Any unoccupied Lot(s) owned by Declarant shall be assessed at 25 percent of the rate for Lots not owned by Declarant as long as Declarant has Class B membership status. As long as Declarant retains the right to pay only partial assessments for any unoccupied Lots owned by it, Declarant must also (i) maintain the Common Area of Millwood Estates at no cost to the Association, and (ii) fund all budget deficits (including reserves). When Declarant's Class B membership is converted to a Class A membership (or if Declarant voluntarily agrees prior to such time), unoccupied Lots will be assessed at the rate for those Lots not owned by Declarant.

4.6 Quorum for any Voting Authorized Under Sections 4.3(3) and 4.4. At

any meeting called for any purpose set forth in Sections 4.3(3) and 4.4 of this Article IV, the presence at the meeting of Members or proxies entitled to cast 60 percent of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called subject to the notice requirements set forth in Sections 4.3(3) and 4.4, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

4.7 Date of Commencement of Annual Assessments; Due Dates.

4.7(1) The annual assessments provided for herein shall commence as to all Lots in Millwood Estates no later than 30 days following the conveyance to the Association of the Common Area. The first annual assessment shall be pro-rated according to the number of months remaining in the calendar year.

4.7(2) The Board of Directors shall fix the amount of the annual assessment against each Lot, and shall send written notice of the annual assessment to every Owner subject to such assessment, at least 30 days in advance of each annual Assessment period.

4.7(3) The due dates of such assessments shall be established by the Board of Directors, which may require the assessment to be paid in monthly installments.

4.7(4) The Association shall, upon demand and at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be imposed by the Board of Directors for the issuance of these certificates. A properly executed certificate of the Association as to the status of assessments on a Lot is binding on the

Association as of the date of such certificate's issuance.

4.8 Remedies of the Association for Nonpayment of Assessments.

4.8(1) If any assessment is not paid within 30 days after the due date, the assessment shall bear interest from the due date until paid at the rate of two percent per month. The Association in its discretion may, in addition to the imposition of interest:

- (a) impose a penalty as previously established by rule adopted pursuant to the provisions of the Articles of Incorporation or By-Laws;
- (b) accelerate the required payment date of the entire remaining annual assessment (if required to be paid in in-installments); or
- (c) bring an action at law against the Owner personally obligated to pay such assessments and/or foreclose the lien against the Lot against which such sums have been assessed. Interest, costs, and reasonable attorneys' fees of the-Association incurred in any such action (or if any such action is not actually brought, in preparation for such action) shall be added to the amount of such assessment.

4.8(2) No Owner may waive or otherwise escape liability for payment of such assessments by non-use of the Common Area or abandonment of such Owner's Lot.

4.9 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of such Lot's Mortgage, as defined in Section 1.11 hereof. The sale or transfer of any Lot pursuant to a foreclosure sale or any proceeding in lieu thereof shall extinguish the lien of all assessments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot (or such transferee) from liability for any assessments which become due after the date of such sale or

transfer, or from the lien of such assessments accruing after such date.

4.10 Exempt Property. The following areas within the Property shall be exempt from the assessments provided for in this Article IV: (a) all areas dedicated to and accepted by any local public authority, including any land dedicated to the Fairfax County Park Authority or the Fairfax County Board of Supervisors, by recordation of an appropriate document in the land records of Fairfax County, Virginia; and (b) the Common Area.

ARTICLE V

ARCHITECTURAL REVIEW COMMITTEE

5.1 Composition. The Architectural Review Committee shall be composed of a minimum of three members and a maximum of seven members, as determined by the Board of Directors. Members shall serve staggered three year terms, as determined by the Board of Directors. After Declarant's Class B membership is converted to a Class A membership, no member of the Architectural Review Committee shall also be a member of the Board of Directors.

5.2 Method of Selection. Until such time as Declarant's class B membership is converted to a Class A membership, Declarant shall nominate all members of the Architectural Review Committee. The Board of Directors shall appoint or reject such nominees, and, if a nominee is rejected, Declarant shall nominate another person or appointment. After conversion of Declarant's Class B membership, the members of the Architectural Review Committee shall be appointed by the Board of Directors.

5.3 Vacancies. Appointments to fill vacancies in unexpired terms

shall be made in the same manner as the original appointments.

5.4 Duties. The Architectural Review Committee shall regulate the external design and appearance of the Property and improvements thereon in such a manner as to preserve and enhance property values, to ensure harmony with utility systems, and to ensure a harmonious relationship among the improvements on the Lots and the natural vegetation and topography. In furtherance of such purpose, the Architectural Review Committee shall:

5.4(1) Review and approve, modify or disapprove, within 45 days, all written applications of Owners and of the Association for improvements or additions to Lots or Common Area. If the Architectural Review Committee fails to approve or disapprove any such application within said 45-day period, such application will be deemed to be approved, except that no such automatic approval shall allow the applicant to undertake any improvement or addition that is prohibited by the terms of this Declaration or the architectural standards adopted by the Architectural Review Committee;

5.4(2) Periodically inspect the Property for compliance with architectural standards and approved plans for alteration;

5.4(3) Adopt architectural standards subject to the confirmation of the Board of Directors;

5.4(4) Adopt procedures for the exercise of its duties and enter them in an official procedures book, which shall be readily available for review by any Owner or Declarant; and

5.4(5) Maintain complete and accurate records of all actions taken.

5.5 Initial Construction by Declarant. Notwithstanding anything else

contained in this Article V, the construction of improvements by Declarant (or by Declarant's assignee) on any Lots owned by Declarant (or such assignee) shall not require the prior approval of the Architectural Review Committee, provided that such improvements are of a design generally similar to the improvements on other Lots in Millwood Estates.

5.6 Enforcement. Any exterior addition, change, or alteration made without application to, and approval of, the Architectural Review Committee shall be deemed to be in violation of this covenant, and may be required by the Board of Directors to be restored to its original condition at the offending Owner's sole cost and expense.

ARTICLE VI

RESTRICTIVE COVENANTS

6.1 All Lots within the Property shall be used exclusively for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot other than one single-family attached townhouse dwelling, and other approved structures for as solely by the occupants. Except for those related to real estate sales and construction, no sign, advertisement or message other than for identification purposes only shall be displayed or published which offers or implies commercial or professional services, or which might constitute any other kind of business solicitation in or from any Lot. Notwithstanding the foregoing:

6.1(1) During the period of construction of the initial improvements upon the Lots and the sales thereof, Declarant or its successors or assigns may erect, maintain,

and operate real estate sales and construction offices, displays, signs, and special lighting on any part of the Property and on or in any building or structure now or hereafter erected on such Lots.

6.1(2) On Lots now or hereafter specifically designated for such purposes by Declarant, there may be erected and operated churches or places of public worship, schools accredited by the Commonwealth of Virginia, public parks, trails, non-commercial swimming pools, recreational areas, and appurtenances thereto.

6.2 No clothing, laundry, or wash shall be aired or dried on any portion of the Lots in any area other than in the rear yards of the Lots.

6.3 No tree, hedge or shrub shall be maintained in such a manner as to obstruct sight lines for vehicular traffic.

6.4 No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done or placed thereon which may become an annoyance or nuisance to the other Owners. Owners shall, at all times, maintain their Lots and all appurtenances thereon in good repair and in a neat state. Except for flower gardens, shrubs, and trees that are neatly maintained, all open Lot areas shall be maintained in lawns or other materials approved by the Architectural Review Committee. All lawn areas shall be kept mowed and shall not be permitted to grow to a height in excess of four inches.

6.5 No sign of any kind, whether or not such sign is illuminated, shall be displayed to public view on any Lot if it is in excess of two square feet, except temporary real estate signs not more than four square feet in area advertising the Lot for sale or rent, and except as otherwise permitted by Sections 6.1(1) above. All signs advertising a Lot for sale or rent shall be removed within three days following the date of execution of any agreement of

sale or rental.

6.6 No domestic or wild animal shall be kept or maintained on any Lot, except for common household pets, such as dogs and cats, which shall be maintained in compliance with all Fairfax County and Commonwealth of Virginia laws and regulations. Notwithstanding the foregoing, no household pets shall be kept, bred or maintained for commercial purposes, and no household pet shall be permitted to create a nuisance or annoyance to surrounding Lots or the neighborhood.

6.7 Trash and garbage containers shall not be permitted to remain in public view except on days of trash collection. No accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted on any Lot.

6.8 No person shall paint the exterior of any building a color different than the original color of said building, nor otherwise change the exterior appearance of any building, without the prior written approval of the Architectural Review Committee.

6.9 The exteriors of all structures, including walls, doors, windows and roofs, shall be maintained in good order and repair. No structure shall be permitted to stand with its exterior in an unfinished condition for longer than six months after the commencement of construction. In the event of fire, windstorm or other damage, no structure's exterior shall be permitted to remain in a damaged condition for longer than three months.

6.10 No structure or addition to a structure on any Lot shall be erected, placed, altered (including any alteration of the exterior physical appearance of such structure) or externally improved, until the plans and specifications, including elevation, material, color and texture, and a site plan showing locations of improvements with grading modifications,

shall be filed with and approved in writing by the Architectural Review Committee. For the purposes of this Section 6.10, "structure" shall be defined to include any building or portion thereof, fence, mailbox, or any appurtenances to any of the foregoing.

6.11 All fences or enclosures, and all mailboxes, must be approved by the Architectural Review Committee as to location, material and design. Any fence or wall built on any Lot shall be maintained in good condition and repair in a manner not detracting from the value or appearance of surrounding Lots.

6.12 No exterior television, radio, or other communications antenna of any sort shall be erected or maintained on any Lot without the written consent of the Architectural Review Committee; provided however, that the Association shall have the right to erect and maintain a master antenna on the Common Area, if the erection of such master antenna is approved by Members of the Association pursuant to the provisions of Article III of this Declaration.

6.13 No junk vehicles, recreational vehicles, house trailers, or commercial or industrial vehicles such as, but not limited to, moving vans, trucks, tractors, trailers, vans (other than typical passenger vans), wreckers, hearses, buses, boats, boating equipment, mobile homes, or camping equipment, shall be regularly or habitually parked within the boundaries of Millwood Estates (whether on Lots, Common Area, or the public streets), except in areas that may be designated by the Association. No portion of any Lot, Common Area, or public street within Millwood Estates shall be used for the maintenance or repair of motor vehicles.

6.14 No building, improvement, or fixture shall be erected, placed or permitted to remain on any portion of the Common Area on which a conservation easement is established by the Deed of Dedication, Subdivision, Easement, and Conveyance recorded

immediately following the recordation of this Declaration, nor shall such land be disturbed, denuded, or defaced except in connection with utility and other easements granted by this Declaration or by the aforementioned Deed of Dedication, Subdivision, Easement, and Conveyance.

6.15 The provisions of Sections 6.5, 6.7, 6.8, 6.9, 6.10, 6.11 and 6.12 shall not apply to Declarant or Declarant's assignee in connection with the construction, development or improvement of any Lot(s) by Declarant which commences within three years from the date of submission of said Lot(s) to the provisions of this Declaration.

6.16 The Board of Directors shall have the authority to adopt such rules and regulations with respect to Sections 6.1 through 6.14, inclusive, as it may from time to time consider necessary or appropriate.

6.17 The Board of Directors shall have the power and authority, acting for and on behalf of the Association, after 10 days' prior written notice to the Owner of the Lot in violation of this Article, to take such action as it deems necessary to correct such violations, including entering on the offending Lot and performing corrective action, all at the cost and expense to the Owner of the Lot in violation of this Article, and such entry shall not constitute trespass by the Board of Directors or its agents.

ARTICLE VII

PARTY WALLS AND INSURANCE

7.1 Party Walls and Party Fences. Each wall or fence built as a part of the original construction of the Lots and placed on the demising boundary between any two

adjoining Lots shall constitute a party wall or party fence, as the case may be. To the extent not inconsistent with the provisions of this Declaration, the statutes and common law of the Commonwealth of Virginia with respect to party walls shall govern the respective rights and liabilities of the Owners of the Lots bordering such party walls or party fences, with the intent that each Owner of a Lot bordering a party wall or party fence shall have the right to use such well or fence, provided that such use does not interfere with the use and enjoyment of such wall or fence by the Owner of the adjoining Lot.

7.2 Easement for Encroachments. To the extent that any portion of any improvement which is a part of the initial improvements constructed by Declarant or its assignee on a Lot (or repairs, restorations, or replacements of such improvements) encroaches on any other Lot or the Common Area, whether by roof or building projection or overhang, a valid easement for such encroachment shall exist. Each Owner of a Lot with a party wall bordering such Lot shall have an easement in common with the Owner of the other Lot adjoining such party wall to use all pipes, wires, ducts, cables, conduits, and public utility lines located in the party wall and serving his Lot. Each such Lot shall be subject to an easement in favor of the Owner of the other Lot adjoining the party wall between such lots to use the pipes, wires, ducts, cables, conduits, and public utility lines located in the party wall and serving the adjoining Lot. The easements set forth in this Section 7.2 shall include the right of the Owner of the Lot benefited by such easements (or his agent(s)) to enter upon a reasonable portion of the adjoining Lot or Common Area at reasonable times for the purpose of performing repairs or maintenance, provided that following such entry the Owner so entering promptly restores such adjoining Owner's Lot (or the Common Area) to its condition immediately prior to such entry.

7.3 Damage to or Destruction of a Party wall or Party Fence.

7.3(1) If any party wall or party fence is damaged (including deterioration from ordinary wear and tear) or destroyed:

7.3(1)(a) through the act of an Owner, his agents, guests, or family members (whether or not through negligence or otherwise), such Owner shall be obligated to repair or rebuild (without impairment of structural integrity) the party wall or party fence without cost to other Lot Owners; or

7.3(1)(b) other than by the act of an Owner, his agents, guests, or family members, all Owners whose Lots adjoin such party wall or party fence shall be obligated to repair or rebuild the party wall or party fence at their joint and equal expense.

7.3(2) When all Owners whose Lots adjoin a party wall or party fence are required to repair or rebuild such party wall or party fence at their joint and equal expense, as provided in Section 7.3(1)(b) above, each such Owner shall have a right of contribution from each other Owner whose Lot adjoins such party wall or party fence for such other Owner's proportionate share of such costs. Such right of contribution shall be deemed appurtenant to and shall run with the land to each Owner's successors in title.

7.4 Insurance Coverage Required.

7.4(1) To protect Owners of adjoining lots and to ensure the availability of sufficient funds to repair or rebuild in case of casualty, every Owner of a Lot upon which is constructed a dwelling unit attached to a structure on an adjoining Lot shall obtain and maintain in effect at all times an insurance policy insuring against loss or damage by fire, vandalism, malicious mischief, windstorm, and other hazards usually covered by fire and extended coverage insurance policies, in a minimum amount equal to the maximum insurable

replacement value (excluding the value of the land, foundation, and other items normally excluded from the scope of such policies) of all improvements constructed on such Owner's Lot. Each policy required by the terms of this Section 7.4 shall provide that it may not be cancelled except upon no less than 10 days' prior written notice to the Association.

7.4(2) Each Owner shall send to the Association proof of such insurance within 10 days of such Owner's initial occupancy of a Lot, and thereafter such Owner shall send to the Association evidence of renewal or replacement of such insurance at least 10 days prior to the expiration of each such policy. If any Owner fails to obtain such insurance policy, or fails to pay the premiums therefor, the Association may (but shall not be obligated to) obtain such insurance or make such payment on behalf of such Owner, and the cost thereof shall be specially assessed against, and be a lien on, such Owner's Lot pursuant to the provisions of Section 4.1 of this Declaration.

ARTICLE VIII

EASMENTS

8.1 The Association, its directors, officers, agents, and employees, all policemen, firemen, ambulance personnel, and all similar persons are hereby granted an easement to enter upon the Property (and any portion thereof) in the exercise of the functions provided by this Declaration and the Articles of Incorporation and By-Laws of the Association, in the event of emergencies, and in the performance of proper governmental functions.

8.2 Except in the case of any emergency, when access shall be immediate, the right of entry created by Section 8.1 shall be exercised only during reasonable daylight

hours and then, whenever practicable, only after advance notice to, and with the permission of, any Owner or tenant directly affected by such entry.

8.3 Declarant, its agents and employees, shall have a right of ingress and egress over the Common Area and the right to such other temporary uses of the Common Area as may be required or desired in connection with the construction and development of the Property.

8.4 Declarant hereby reserves to itself, its successors and assigns, a nonexclusive easement over any Lot or any Common Area for the purpose of installing, repairing or maintaining utility lines or areas, including, but not limited to, storm drains, sanitary sewers, gas lines, electric lines or cables, water lines, telephone lines, street lights and the like. This easement shall automatically expire as to any Lot or any other portion of the Property five years following the date that such Lot or other portion of the Property was subdivided.

8.5 Declarant hereby reserves to itself, its successors and assigns, a perpetual and nonexclusive easement over any Lot or any Common Area for the purpose of landscaping any such Lot or Common Area, correcting the drainage of surface water to maintain the health, safety, and appearance of the Property (such easements to include the right to cut trees, bushes, or shrubbery, or to cut or grade the land), erecting and maintaining street intersection signs, street lights, directional signs, temporary promotional signs, permanent entranceways and signs, stone, wood, or masonry walls, and for the purpose or purposes of executing any of the powers, rights or duties granted to or imposed on the Association in Article II of this Declaration.

ARTICLE IX

FEDERAL HOME LOAN MORTGAGE CORPORATION PROVISIONS

9.1 Any Mortgagee, upon request, will be given written notification from the Association of any default by the Owner of a Lot encumbered by such Mortgage in the performance of any obligation under this Declaration, the Articles of Incorporation, or the By-Laws, which is not cured within 60 days.

9.2 Any Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage, or foreclosure of the Mortgage, or by deed or assignment in lieu of foreclosure, shall not be liable for such Lot's unpaid dues or charges which accrue prior to the acquisition of title to such Lot by the Mortgagee.

9.3 A Mortgagee shall have the right to examine the books and records of the Association. Unless at least two-thirds (2/3) of the Mortgagees (based upon one vote for each Mortgage owned) or Owners have given their prior written approval, the Association shall not:

9.3(1) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area; provided, that the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this clause;

9.3(2) Change the method of determining assessments, dues or other charges which may be levied against an Owner;

9.3(3) By act or omission change, waive or abandon the architectural controls established by this Declaration;

9.3(4) Fail to maintain fire and extended coverage on insurable parts of the Common Area on a current replacement cost basis in an amount not less than 100 percent of the insurable value (based on current replacement costs); or

9.3(5) Use hazard insurance proceeds for losses to the Common Area for other than the repair, replacement, or reconstruction of the Common Area.

9.4 All Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage upon the lapse of a policy for such Common Area. The Mortgagee or Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

9.5 The assessments imposed by the Association shall include an adequate reserve fund for maintenance, repairs, and replacements for those parts of the Common Area that may require replacement or maintenance on a periodic basis. Such reserves shall be payable in regular installments rather than by special assessments.

9.6 Proceeds of casualty Insurance paid to the Association by reason of any loss to the Common Area, or any condemnation proceeds paid to the Association, shall, to the extent not used to repair or restore the Common Area, be distributed equally to the Owners of each Lot, subject, however, to the rights of any Mortgagee with respect to the proceeds payable to the Owner of the Lot encumbered by such Mortgagee's Mortgage.

ARTICLE X

GENERAL PROVISIONS

10.1 Enforcement. The Association, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any right, provision, covenant, or condition granted by this Declaration shall not constitute a waiver of the right of the Association or any Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies, and privileges granted to the Association or to any Owner pursuant to any term, provision, covenant, or condition of this Declaration 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 party exercising such remedy from exercising such other remedies as may be granted to such party by this Declaration, at law, or in equity.

10.2 Severability. If any provision of this Declaration is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect the validity of any other provision of this declaration.

10.3 Captions. The captions contained in this Declaration are inserted as a matter of reference only, and in no way limit or otherwise affect the scope, meaning, or effect of any provision hereof.

10.4 Conflicts. If there is any conflict between the provisions of this Declaration, the Articles of Incorporation, the By-Laws, or any of the Rules and Regulations adopted pursuant to the terms of such documents, the provisions of the document earlier

mentioned in this sentence shall govern.

10.5 Duration; Amendment.

10.5(1) The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of 20 years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of 20 years.

10.5(2) This Declaration may be amended by vote of the Association. Any such amendment during the first 20 year period following the date of recordation of this Declaration shall require the approval of not less than 90 percent of the votes of each class of the Members who are voting, and thereafter any amendment shall require the approval of not less than 75 percent of the votes of the Members who are voting, at a meeting duly called for this purpose, written notice of which (setting forth the purpose of the meeting) shall be sent to all Members not less than 25, nor more than 50 days in advance of the meeting.

10.5(3) Notwithstanding any other provision of this Declaration, Declarant shall have the right to unilaterally amend this Declaration (a) prior to conveyance of any Lot in Millwood estates to an Owner, or (b) to satisfy the requirements of the Federal Housing Administration or the Veterans Administration.

10.5(4) No amendment shall be binding or enforceable unless it is properly executed and acknowledged (in the manner required by law for the execution and acknowledgement of deeds) by the Association (or by Declarant, as the case may be) and

recorded among the land records of Fairfax County, Virginia.

10.6 Annexation of Additional Properties.

Additional residential property and Common Area may be submitted to the provisions of this Declaration and thereby annexed to the Property if approved by at least two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

10.7 Federal Housing Administration/Veterans Administration Approval.

Following the first conveyance of a Lot to an Owner other than the Declarant, until such time as Declarant's Class B membership shall be converted to a Class A membership, the following actions will require the approval of the Federal Housing Administration or the Veterans Administration:

- 10.7(1) Annexation of additional real property to the Property;
- 10.7(2) Dedication of the Common Area; and
- 10.7(3) Amendment of the Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the date first above written.

ATTEST: DECLARANT:
SCARBOROUGH CORPORATION,
A New Jersey corporation

Name: _____
Title: _____

Name: A. Scott Beatty
Title: Vice President

[Corporate Seal]

State of Virginia)
County of Fairfax) ss:

Before me, Brandi F. Sowers, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date A. Scott Beatty, personally well known (or satisfactorily proven) to me to be the Vice President and attorney-in-fact of Scarborough Corporation, a party to the foregoing and annexed Declaration, dated March 25, 1986, who did acknowledge that he executed said instrument as his free act and deed and the act and deed of Scarborough Corporation for the uses and purposes therein contained.

WITNESS my hand and official seal this 25th day of March, 1986.

Notary Public

[Notarial Seal]

My commission expires: 10-14-86

IN WITNESS WHEREOF, Declarant has accepted this Declaration as of the date first above written.

DECLARANT:

ATTEST:

SCARBOROUGH CORPORATION,
a New Jersey corporation

By: A. Scott Beatty

Name: _____

Name: A. Scott Beatty

Title: _____

Title: Vice President

[Corporate Seal]

)
) ss:
)

Before me, Bruno J. Serris, a Notary Public

in and for the jurisdiction aforesaid, personally appeared this date A. Scott Beatty, personally well known (or satisfactorily proven) to me to be the Vice President and attorney in fact of Scarborough Corporation, a party to the foregoing and annexed Declaration, dated March 25, 1986, who did acknowledge that he executed said instrument as his free act and deed and the act and deed of Scarborough Corporation for the uses and purposes therein contained.

WITNESS my hand and official seal this 25th day of March, 1986.

[Notarial Seal]

Bruno J. Serris
Notary Public

My commission expires: 10-14-86