

DECLARATION

FOR

LAKESIDE AT SOUTH RIDING CONDOMINIUM

ARTICLE 1

CREATION; DEFINED TERMS

Section 1.1. Creation of the Condominium. Pursuant to the provisions of Chapter 4.2 of Title 55 of the Code of Virginia ("Condominium Act"), Trafalgar House Property, Inc., a Delaware corporation ("Declarant"), hereby creates a condominium comprised of the land described as submitted land in Exhibit A, located within Loudoun County, Virginia ("Land"), together with all improvements thereto and all easements, rights and appurtenances thereunto appertaining ("Property").

Section 1.2. Defined Terms. Except as otherwise defined herein or in Section 1.3 of the Bylaws comprising Exhibit B, all terms used in the condominium instruments shall have the meanings specified in section 55-79.41 of the Condominium Act. All exhibits referred to in the condominium instruments are exhibits to this Declaration.

Section 1.3. Name of Condominium. The name of the condominium is "Lakeside at South Riding Condominium" ("Condominium").

ARTICLE 2

BUILDINGS ON THE LAND; UNIT BOUNDARIES

Section 2.1. Location and Dimensions of Buildings. The location and dimensions of each building on the Land are depicted on the "Plats" labeled as Exhibit D.

Section 2.2. Units. The location of units within each building and their dimensions are shown on the "Plans" labeled as Exhibit E. The Common Element Interest Table attached as Exhibit C is a list of all units, their identifying numbers, location (all as shown more fully on the Plats and Plans), type and the Common Element Interest appurtenant to each unit determined on the basis of equality. Each unit has an equal Common Element Interest.

Section 2.3. Unit Boundaries. The boundaries of each unit are as follows:

(a) Horizontal (upper and lower) Boundaries: The upper and lower boundaries of the unit are the following boundaries extended to an intersection with the vertical (perimetric) boundaries:

(1) Upper Boundary: The horizontal plane of the bottom surface of the wood joists of the ceiling.

(2) Lower Boundary: The horizontal plane of the top surface of the undecorated concrete floor slab or wood subflooring (as the case may be).

(b) Vertical (perimetric) Boundaries: The vertical boundaries of the unit are the vertical planes which include the back surface of the wallboard of all walls bounding the unit extended to intersections with each other and with the upper and lower boundaries.

(c) The unit includes the room containing the heating and air-conditioning apparatus serving only that unit (whether or not located within the unit boundaries) and any garage which is accessed by an interior staircase. Any portion of a utility system or other apparatus serving more than one unit (e.g., pipes, conduits, ducts) which is located partially within and partially outside the unit (including without limitation the fire protection sprinkler system) is part of the common elements. Any portion of a utility system serving only one unit which is located outside the unit is a limited common element appurtenant to that unit.

Section 2.4. Maintenance Responsibilities. Notwithstanding the ownership of the various portions of the common elements and the units by virtue of the foregoing boundary description, the provisions of the Bylaws shall govern the division of maintenance and repair responsibilities between the unit owner and the Association.

Section 2.5. Relocation of Unit Boundaries and Subdivision of Units. Relocation of boundaries between units and subdivision of units is permitted subject to compliance with the provisions therefor in Sections 5.7 and 8.5 of the Bylaws and in sections 55-79.69 and 55-79.70 of the Condominium Act.

ARTICLE 3

COMMON ELEMENTS

Section 3.1. Limited Common Elements.

(a) The locations of the common elements to which each unit has direct access are shown on the Plats and Plans; pursuant to section 55-79.50E of the Condominium Act, a fireplace, skylight, deck or patio, if any, shown adjacent to a unit is a limited common element appurtenant to that unit.

(b) A portion of the common elements is marked on the Plans as "Common Elements which may be assigned as Limited Common Elements." This portion of the common elements includes all of the unattached garages. Pursuant to section 55-79.54A(6) of the Condominium Act, the Declarant reserves the exclusive right to assign these unattached garages as limited common elements for the exclusive use of certain unit owners to whose units these garages shall become appurtenant. The Declarant may assign such a common element as a limited common element garage pursuant to the provisions of section 55-79.57 of the Condominium Act by causing an appropriate amendment to this Declaration or to the Plats to be signed and recorded. If, prior to settlement on a unit, a person acquires the right to the assignment of a limited common element, the Declarant shall evidence the right to such an assignment in the deed to the unit to which such limited common element shall appertain. If a unit owner acquires the right to the exclusive use of such a limited common element subsequent to settlement on the unit, the Declarant may but need not evidence the unit owner's right to such an assignment in a separate written agreement with the unit owner.

Section 3.2. Reserved Common Elements. The Board of Directors shall have the power in its discretion from time to time to grant revocable licenses in designated common elements to the Association or to any unit owners and to establish a reasonable charge to such unit owners for the use and maintenance thereof. The common elements or portions thereof so designated shall be referred to as Reserved Common Elements. Such designation by the Board shall not be construed as a sale or disposition of the common elements.

Section 3.3. Alteration of Common Elements by the Declarant. The Declarant reserves the right to modify, alter, remove or improve defective, obsolete or non-functional portions of the common elements, including without limitation any equipment, fixtures and appurtenances, when in the Declarant's judgment it is necessary or desirable to do so, until the expiration of the applicable warranty period.

Section 3.4. Rental Operation on Convertible Land and in Convertible Space. The Declarant shall have the right to operate any convertible land or convertible space as a rental project with any permissible commercial uses. The Declarant may establish and maintain all offices, signs and other accoutrements normally used in the operation of such rental properties in the sole discretion of the Declarant. The Declarant may, in the sole discretion of the Declarant, lease portions of any convertible land or convertible space so long as the Declarant pays the expenses attributable to such rental operation. Such operations shall be for the benefit of the Declarant and neither the Association nor any unit owner (other than the Declarant) shall have any right or interest in the profits or losses thereof.

ARTICLE 4

EASEMENTS

In addition to the easements created by sections 55-79.60 and 55-79.65 of the Condominium Act, the following easements are hereby granted and the following rights are hereby reserved.

Section 4.1. Easement to Facilitate Sales. All units shall be subject to an easement in favor of the Declarant pursuant to section 55-79.66 of the Condominium Act. The Declarant reserves the right to use any units owned or leased by the Declarant as models, management offices, sales offices (for this and other projects) or customer service offices. The Declarant reserves the right to relocate the same from time to time within the Property; upon relocation, the furnishings thereof may be removed. The Declarant further reserves the right to maintain on the Property such advertising signs as may comply with applicable governmental regulations, which may be placed in any location on the Property and may be relocated or removed, all at the sole discretion of the Declarant. The Declarant shall have the right to restrict the use of certain common element parking spaces for sales purposes and to use such spaces for sales purposes. Further, the Declarant shall have the right to erect temporary offices on certain common element parking spaces for models, sales, management, customer service and similar purposes. The reservation of this easement to facilitate sales also applies to the additional land. This easement shall continue until the Declarant has conveyed to unit owners other than the Declarant all the units in the Condominium which the Declarant has the right to create.

Section 4.2. Easement for Access and Support.

(a) Access. The Declarant reserves in favor of the Declarant, the managing agent and any other person authorized by the Board of Directors the right of access to any common element or unit as provided in section 55-79.79 of the Condominium Act and Section 5.9 of the Bylaws. In case of emergency, such entry shall be immediate whether or not the unit owner is present at the time. Further, until the expiration of the warranty period, such entry shall be permitted to inspect or perform warranty-related work (for the benefit of the unit being entered, other units or the common elements) whether or not the unit owner or the Association consents or is present at the time.

(b) Support. Each unit and common element shall have an easement for lateral and subjacent support from every other unit and common element.

Section 4.3. Declarant's Right to Grant Easements.

(a) Construction; Utilities. The Declarant shall have the right to grant and reserve easements and rights-of-way through, under, over and across the Property for construction purposes, and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, television reception and other utilities. This right shall continue until the Declarant has conveyed to unit owners other than the Declarant all the units which the Declarant has the right to create.

(b) Access. The Declarant reserves the right to grant or reserve easements and rights-of-way through, over and across the Property to afford vehicular and pedestrian access through, over and across the common elements from and to any public street or road adjoining the Property and any portion of the real estate described in Exhibit A which is not, at the time of such grant or reservation, part of the Property. This right shall continue until the seventh anniversary of the recordation of this Declaration.

Section 4.4. Easement for Use of Common Facilities.

(a) Grant of Easement. Each unit owner and each person lawfully residing in a dwelling unit located on any portion of the additional land described in Exhibit A is hereby granted a non-exclusive easement for access to and use of the "Common Facilities".

(b) Extent of Easement. The easement created hereby shall be subject to the following:

(1) the right of the Unit Owners Association to charge guests reasonable admission and other fees for the use of the Common Facilities;

(2) the right of the Declarant prior to the termination of the Declarant Control Period to grant and reserve easements and rights-of-way through, under, over and across the Common Facilities, for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, television reception and other utilities; and

(3) the right of the Association to adopt rules and regulations governing the use of the Common Facilities.

(c) Delegation of Use. Any person having the right to use the Common Facilities may delegate such right to the members of such person's household, tenants who reside on the Land and additional land and to such other persons as may be permitted by the Association.

(d) Rights to Use. Each person having the right to use the Common Facilities and each person to whom such right has been delegated shall comply with the rules and regulations regarding such use, as such rules and regulations may be established and amended from time to time by the Board of Directors. Such rights to use may be suspended upon failure of a unit owner to pay condominium assessments, whether such unit owner owns a unit in the same or in an adjacent condominium, upon failure to comply with such rules and regulations or upon failure of a tenant (other than in a condominium unit) to pay rent to the landlord of the dwelling unit in which such tenant resides.

(e) Assessments Against Fee Owners and Unit Owners of Other Condominiums. Each owner of a portion of the additional land to whom the Declarant has granted an easement to use the Common Facilities shall pay to the Association an annual assessment levied exclusively for a proportionate share of the costs for the management, operation, repair, replacement and maintenance of the Common Facilities. The assessment levied upon each such owner shall be determined by multiplying the actual expenses for the Common Facilities by a fraction, the numerator of which is the number of dwelling units on the additional land which such owner owns and the denominator of which is the number of dwelling units and condominium units on both the Land and the additional land. The assessment shall be adjusted monthly by the Association to reflect any change in the number of such dwelling units or condominium units. If the additional land is subject to a homeowners association or a unit owners association created after the Declaration is recorded, such association shall pay to

the Association the assessment described in this subsection on behalf of the owners subject thereto.

Section 4.5. Easement to Facilitate Expansion. The Declarant reserves a transferable easement over and on the common elements for the purpose of making improvements on the Land and additional land pursuant to the provisions of the condominium instruments and the Condominium Act, and for the purpose of doing all things reasonably necessary and proper in connection therewith.

Section 4.6. Development Plan and Proffer Amendments. If any modification or amendment to the Final Development Plan or the development proffers for South Riding are sought and the signatures of the unit owners or the officers of the Unit Owners Association are required therefor, then: (i) during the Declarant Control Period the Declarant (through an authorized representative) and (ii) after the Declarant Control Period the President of the Unit Owners Association (or other authorized agent designated by the Board of Directors) shall have the irrevocable power to act as attorney-in-fact for the unit owners and the Unit Owners Association, on their behalf, to sign all documents required. Further, the President of the Unit Owners Association (or other authorized agent designated by the Board of Directors) shall have the irrevocable power to act as attorney-in-fact for the unit owners to receive any notices which may be required in connection with any such modification or amendment.

Section 4.7. Easements for the Benefit of the South Riding Proprietary. The Property is subject to certain easements for the benefit of residents of the South Riding Proprietary. Specifically, these easements created or reserved pursuant to Article 3 of the South Riding Declaration, are for the right to complete development (utilities, drainage, construction, etc.) inspect for violations and place landscaping and signs.

ARTICLE 5

AMENDMENT TO CONDOMINIUM INSTRUMENTS; REQUIRED CONSENT

This Declaration may be amended as provided in the Condominium Act, as amended from time to time. No amendment of the Declaration may be made without the prior written approval of the required percentage of Mortgagees where such approval is provided for in Section 8.5 of the Bylaws or where such approval is required elsewhere in the condominium instruments or by the Condominium Act.

ARTICLE 6

DEVELOPMENT OPTIONS

Section 6.1. Convertible Land. The Declarant may designate as convertible land all or any portion of the additional land at any time all or any portion of the additional land is submitted to the Condominium Act. All of the reservations and the assurances set forth in Sections 6.2 and 6.3 of this Article shall apply to the convertible land; provided, however, that at such time as the convertible land created from the additional land is completely converted, the maximum number of units on such convertible land as an aggregate will be no more than 182 or 14 units per acre, and the maximum number of limited common elements within such convertible land as an aggregate will be 20,000. The conversion of such convertible land shall be made pursuant to section 55-79.61 of the Condominium Act.

Section 6.2. Contraction of the Condominium. The Declarant hereby reserves an option until the seventh anniversary of the recordation of this Declaration to contract the Condominium from time to time in compliance with sections 55-79.54D and 55-79.64 of the Condominium Act without the consent of any unit owner or Mortgagee. The option to contract may be terminated prior to such anniversary only upon the recordation by the Declarant of an instrument relinquishing such option. The Declarant reserves the right to withdraw any or all portions of the withdrawable land at any time, at different times, in any order, without limitation; provided, however, that the withdrawable land shall not exceed the area described on Exhibit A. There are no other limitations on the option to contract.

Section 6.3. Expansion of the Condominium.

(a) Reservation. The Declarant hereby reserves an option until the seventh anniversary of the recordation of this Declaration to expand the Condominium from time to time in compliance with sections 55-79.54C and 55-79.63 of the Condominium Act without the consent of any unit owner or Mortgagee. The option to expand may be terminated prior to such anniversary only upon the recordation by the Declarant of an instrument relinquishing such option. The Declarant reserves the right to add any or all portions of the additional land at any time, at different times, in any order, without limitation; provided, however, that the additional land shall not exceed the area described on Exhibit A. There are no other limitations on the option to expand except as set forth in this Article.

(b) Assurances. The Declarant makes no assurances as to location of improvements on the additional land. At such time as the Condominium is expanded, the maximum number of units on

the additional land will not exceed 182. The maximum number of units on any portion of the additional land added to the Condominium shall not exceed 14 units per acre. Moreover, the maximum number of units in the Condominium as a whole shall never exceed 14 units per acre. The maximum percentage of the aggregate land and floor area of all units that may be created on the additional land that may be occupied by units not restricted exclusively to residential use, if such additional land is added to the Condominium, is zero percent. The Declarant makes no assurances as to what improvements may be constructed on the additional land; such improvements will be reasonably compatible in quality with the improvements on the Land but need not be the same materials or style. No assurances are made by the Declarant as to the size or type of units that may be created in the future on the additional land. The Declarant reserves the right to designate common elements therein which may be subsequently assigned as limited common elements. The Declarant makes no assurances as to type, size or maximum number of such common elements or limited common elements. The allocation of Common Element Interests in the additional land shall be computed as required by section 55-79.56B of the Condominium Act on the basis of equality. If the Declarant does not add, or adds and then subsequently withdraws, any portion of the additional land, the Declarant shall nevertheless have the right to construct all or any portion of any building on the additional land and operate the same without restriction.

Section 6.4. Convertible Space. The Declarant may designate as convertible space all or any portion of the buildings on the additional land when added to the Condominium. The conversion of such convertible space shall be made pursuant to section 55-79.62 of the Condominium Act.

ARTICLE 7

RIGHT TO LEASE OR SELL UNITS

The Declarant shall own in fee simple each condominium unit to which legal title is not conveyed or otherwise transferred to another person. The Declarant retains the right to enter into leases with any persons for the occupancy of any of the units owned by the Declarant.

ARTICLE 8

NO OBLIGATIONS

Nothing contained in the condominium instruments shall be deemed to impose upon the Declarant or its successors or assigns any obligation of any nature to build, construct or provide any improvements except to the extent required by the Condominium Act.

ARTICLE 9

MASTER ASSOCIATION COVENANTS

In accordance with the Declaration for South Riding ("South Riding Declaration") dated February 16, 1995 and recorded in Deed Book 1357 at Page 0989 et seq. among the land records of Loudoun County, Virginia, as amended and the Supplementary Declaration for Section 5A dated _____ and recorded in Deed Book _____ at Page _____.

1. Each unit owner is automatically a member of the South Riding Proprietary ("Master Association"), a Virginia non-stock, nonprofit corporation, and upon conveyance of a condominium unit, such membership is automatically transferred to the new unit owner in accordance with Section 1.3 of Article 1 of the South Riding Declaration.

2. Each member of the South Riding Proprietary has a vote at meetings of the Master Association in accordance with Article 4 of the corporation's Articles of Incorporation and Article 3 of its Bylaws.

3. In accordance with Section 6.4 of the South Riding Declaration, each unit owner in the Condominium agrees, by acceptance of a deed to a condominium unit, to pay assessments representing a share of the expenses of the Master Association, and unpaid assessments for such expenses constitute a lien upon the unit owner's condominium unit in the same manner as unpaid assessments levied by the Unit Owners Association. The assessments levied by the Master Association, in accordance with Sections 6.1 and 6.2 of Article 6 of the Declaration for South Riding, will in part be uniform for all condominium units in the condominium and in part will vary among (i) units which are or have been occupied, and (ii) units for which an occupancy permit has been issued but which have never been occupied. Pursuant to Section 6.3 of the South Riding Declaration, the Declarant or Builder pays a one-time fee and is exempt from further assessments until units are occupied or conveyed to an Owner other than the Declarant or a Builder. Assessments are levied by

