

may deem appropriate for the real property being annexed thereby ("Annexed Territory"). The provisions of any Supplemental or Project Declaration may impose such additional or more restrictive conditions, covenants, restrictions, land uses and limitations as Declarant or a Merchant Builder may deem advisable, taking into account the particular requirements of each Phase of Development; and any such conditions shall not be deemed to constitute a conflict with the provisions of this Declaration to the extent they can reasonably be interpreted to be consistent. If there is any conflict between the Meadowood Declaration and this Declaration or any other Project Declaration, the provisions of the Meadowood Declaration shall control, although such documents shall be construed to be consistent with one another to the extent possible. If there is any conflict between any Supplemental Declaration and the Declaration, the provisions of the Supplemental Declaration shall control with respect to the Annexed Territory described in such Supplemental Declaration, although such documents shall be construed to be consistent with one another to the extent possible. If there is any conflict between any Project Declaration and the provisions of the Declaration or applicable Supplemental Declaration, the Declaration and applicable Supplemental Declaration shall control, although such documents shall be construed to be consistent with one another to the extent possible. A Project Declaration may, but need not, provide for the establishment of a Project Association, to be comprised of Owners of Lots in a Planned Development or Condominiums in a Condominium Project.

2.2. Annexation of Annexable Area.

2.2.1. Timing. Declarant and Merchant Builders (subject to Section 2.2.4 below) may, but shall not be required to, at any time or from time to time, add to the Properties covered by this Declaration all or any portion of the Annexable Area by Recording a Supplemental Declaration with respect to the Annexed Territory covered thereby. Annexable Area may be added to the Properties without the approval of the Owners, Delegates, or Association if the Supplemental Declaration for the Annexed Territory is Recorded on or before the date ("Cutoff Date") which is the last to occur of the following: (i) the fourteenth (14th) anniversary of the first Close of Escrow for the sale of a Lot or Condominium in the Properties, or (ii) the fifth (5th) anniversary of the original issuance of the Public Report most recently issued for the Properties. After the Cutoff Date, any proposed addition of Annexable Area or other real property to the Properties shall further require the approval of Delegates representing at least two thirds (2/3) of the voting power of the Association.

2.2.2. Declaration Coverage. Upon Recording a Supplemental Declaration covering any portion of the Annexable Area, the covenants, conditions and restrictions contained in this Declaration shall apply to the Annexed Territory in the same manner as if it were originally covered by this Declaration and originally constituted a portion of the Properties, subject to the provisions of the applicable Supplemental Declaration; and thereafter the rights, privileges, duties and liabilities of the Declarant with respect to the Annexed Territory shall be the same as with respect to the First Subdivision and the rights, obligations, privileges, duties and liabilities of the Owners, lessees and occupants of Lots and Condominiums within the Annexed Territory shall be the same as in the case of the Lots or Condominiums

originally affected by this Declaration, subject to the provisions of the applicable Supplemental Declaration.

2.2.3. Supplemental Declaration Content. The Supplemental Declaration annexing real property to the Properties shall contain at least the following provisions:

(i) Declaration Reference. A reference to this Declaration, which reference shall state the date of Recordation hereof and the Instrument number or other relevant Recording data of the County Recorder's office;

(ii) Extension of Comprehensive Plan. A statement that the provisions of this Declaration shall apply to the Annexed Territory as set forth therein; and

(iii) Description. A description of the Annexed Territory, including any Association Property.

2.2.4. Approval of Annexations. For so long as Declarant and Merchant Builders have the right to add Annexable Area to the Properties without the approval of Delegates, each Supplemental Declaration shall be signed by Declarant and by each Record owner of the Annexed Territory. From and after the date on which any annexation of Annexable Area requires the approval of the Delegates as herein provided, each Supplemental Declaration must be signed by the Record owner of the Annexed Territory and by an officer of the Association, certifying that the approval of the requisite percentage of Delegates has been obtained.

2.2.5. Phasing. A Supplemental Declaration may cover one (1) or more Phases of Development, as designated in such Supplemental Declaration. The Phase(s) of Development designated in a Supplemental Declaration may be modified by an amendment to such Supplemental Declaration executed by all parties required to sign the Supplemental Declaration and thereafter Recorded, which amendment (i) satisfies all the requirements of Section 2.2.6 below, and (ii) identifies which portions of the Association Property, if any, described in the previously Recorded Supplemental Declaration are to be included in each redesignated Phase of Development.

2.2.6. Deannexation and Amendment.

(i) By Declarant. Declarant may unilaterally amend a Supplemental Declaration with respect to one or more Phases of Development, or delete all or a portion of one or more Phases of Development from coverage of this Declaration and the jurisdiction of the Association, so long as Declarant is the Owner of all of such Phase of Development (other than Public Property and Dedicated Association Property), and provided that (1) a Notice of Deletion of Territory or an amendment to the Supplemental Declaration, as applicable, is Recorded in the same manner as the applicable Supplemental Declaration was

Recorded, (2) no Class A or Class B Association vote has been exercised with respect to any portion of such Phase of Development, (3) Common Assessments have not yet commenced with respect to any portion of such Phase(s) of Development, (4) there has been no Close of Escrow for the sale of any Lot or Condominium in such Phase(s) of Development, (5) the Association has not made any expenditures or incurred any obligations with respect to any portion of such Phase(s) of Development, and (6) if VA or FHA has issued a "project approval" for such Phase of Development (*i.e.* has agreed to guarantee or insure loans secured by Mortgages on Lots or Condominiums located in such Phase of Development), VA, FHA or both, as applicable, have approved such deannexation or amendment.

(ii) By Merchant Builder. Merchant Builders may amend a Supplemental Declaration with respect to one or more Phases of Development, or delete all or any portion of one or more Phase(s) of Development from coverage of this Declaration and the jurisdiction of the Association, so long as such Merchant Builders or Declarant and such Merchant Builders together are the Owners of all of such Phase(s) of Development (with the exception of Public Property and Dedicated Association Property) and provided further, that all requirements of items (1) through (6) set forth in Section 2.2.6(i) above have been satisfied, and Declarant has consented in writing to such amendment or deletion by executing the appropriate Notice of Deletion of Territory or amendment to the Supplemental Declaration, as applicable.

2.3. Other Additions.

Subject to Section 8.1, in addition to annexations pursuant to Section 2.2 above, additional real property may be annexed to the Properties and brought within the comprehensive plan of this Declaration upon the approval of Delegates entitled to exercise no less than two-thirds (2/3) of the total voting power of the Association.

ARTICLE III

3. Association Property: Uses and Restrictions.

3.1. Owners' Rights of Enjoyment.

Every Owner and, to the extent permitted by such Owner pursuant to the Restrictions, such Owner's Family, guests, invitees, and lessees, and contract purchasers who reside in such Owner's Lot or Condominium, shall have a right of ingress and egress and of enjoyment in, to and over the Association Property which shall be appurtenant to and shall pass with title to every Lot and Condominium, subject to the Association's right to exercise exclusive jurisdiction over and control of the Association Property (other than Public Property) and subject to the following provisions:

3.1.1. Additional Association Property. The right of Declarant or any Merchant Builder to designate additional Association Property pursuant to the terms of Article II hereof.