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DECLARATION
FOR
CREEK'S EDGE AT STONY POINT
TOWN HOMES

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DECLARATION
FOR
CREEK'S EDGE AT STONY POINT
TOWN HOMES

THIS DECLARATION is made as of December 1, 2006, by **CG STONY POINT TOWNHOMES, LLC**, a Virginia limited liability company ("Declarant"), and **CREEK'S EDGE AT STONY POINT TOWN HOMES HOMEOWNERS ASSOCIATION**, a Virginia nonstock corporation ("Association").

RECITALS:

R-1 The Declarant owns in fee simple the real estate designated as Submitted Land in the legal description attached as Exhibit A and shown on the plat attached as Exhibit C (and incorporated by this reference) and the Declarant desires to subject that real estate to the covenants, restrictions, reservations, easements, servitudes, liens and charges set forth in this Declaration.

R-2 The Declarant also wishes to reserve the right to add the real estate designated as Additional Land in the legal description attached as Exhibit B and shown on the plat attached as Exhibit C (and incorporated by this reference), as both of the same may be amended by the Declarant from time to time, and may hereafter decide to subject all or any portion of that Additional Land to the provisions of this Declaration.

R-3 The Declarant deems it desirable and in the best interests of all the owners of real estate subject to this Declaration to protect the value and the desirability of such real estate by providing for the development of such real estate in accordance with a common plan and the Upkeep of certain shared facilities, the Submitted Land and the exteriors of the Homes.

R-4 To provide a means for meeting the purposes and intents set forth herein, the Declarant has caused Creek's Edge at Stony Point Town Homes Homeowners Association to be incorporated under the laws of the Commonwealth of Virginia whose members shall consist of all owners of real estate within the Property.

DECLARATION:

The Declarant hereby covenants and declares, on behalf of itself and its respective successors and assigns, that from the date this Declaration is recorded, the real estate 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 and bind and inure to the benefit of all Persons who may now or hereafter own or acquire any right, title, estate or interest in or to any of such real estate, 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 in accordance with the provisions for amendment set forth herein. The Association joins in this Declaration for the purpose of accepting the rights, powers, responsibilities and obligations set forth herein.

PART ONE

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.

(a) Standard Definitions.

(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) "Additional Land" means the real estate so designated in Exhibit B or shown on Exhibit C, as amended from time to time, which the Declarant has reserved the right to submit to the Declaration and to the jurisdiction of the Association pursuant to Section 4.1.

(3) "Approval of Secondary Mortgage Market Agencies or Mortgagees" means: (i) written approval; (ii) any written waiver of approval rights; (iii) a formal letter stating no objection; and (iv) presumptive approval if a Secondary Mortgage Market Agency or Mortgagee does not respond to a notice by certified or registered United States mail, return receipt requested, within thirty (30) days after the date the request for approval is transmitted in accordance with the notice requirements of the Bylaws.

(4) "Articles of Incorporation" means the Articles of Incorporation for the Association filed with the Virginia State Corporation Commission, as amended from time to time.

(5) "Assessments" means the sums levied against the Lots to pay Common Expenses and other expenditures by the Association, as provided in Article 6. Assessments include "Annual Assessments", "Additional Assessments" and "Individual Assessments."

(6) "Association" means Creek's Edge at Stony Point Town Homes Homeowners Association and, with respect to the rights and obligations of the Association set forth in this Declaration, its successors and assigns.

(7) "Association Documents" means collectively, the Articles of Incorporation, this Declaration, Supplementary Declarations, Rules and Regulations, 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.

(8) "Board of Directors" or "Board" means the executive and administrative entity established by Article 5 of the Articles of Incorporation as the governing body of the Association.

(9) "Building Envelope" means that portion of a Lot intended to be permanently enclosed by the outermost surface of the building structure or other structures located thereon, as expanded or reconstructed from time to time, extending both above and below the surface of the earth, including any supporting columns thereof and any balconies, porches, stoops, decks, patios and stairs appurtenant to such building, or as may be otherwise described and defined in any amendment to the Declaration adding Additional Land.

(10) "Bylaws" means the Bylaws of the Association, as amended from time to time.

(11) "CPI" means the Consumer Price Index - All Urban Consumers (1987=100) published by the Bureau of Labor Statistics, U.S. Department of Labor. Whenever in the Association Documents the CPI is used, if the index ceases to be published, then such other index may be published by the U.S. Department of Labor or other reliable governmental or other nonpartisan index intended to reflect general increases in the cost of living in the Greater Richmond Metropolitan area or similar urban area and designated by the Board of Directors may be used.

(12) "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; provided, however, that real estate within the Property is not Common Area solely because it is burdened by an easement for utilities, landscaping, access, storm water management or signage or dedicated as a public street or roadway even though the Association may provide Upkeep for such area. A portion of the Common Area which the Association has the right to use and/or maintain, such as sidewalks, streets, alleyways, trails, storm water management areas or otherwise, for the benefit of the Owners may be located within a Lot. For the purposes of jurisdiction, Upkeep, operation and control, such portion of the Lot shall be treated as Common Area; for purposes of ownership, such portion shall be part of the Lot and shall be included in the calculation of voting rights and assessment. Those portions of the Common Area which are to be conveyed to the Association pursuant to Section 2.1 are shown on the plat attached as Exhibit C as amended from time to time.

(13) "Common Expenses" means all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation and maintenance of reserves pursuant to the provisions of the Association Documents.

(14) "Covenants Committee" means the committee 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. Any reference to the Covenants Committee means the appropriate Covenants Committee having authority with respect to the Lot in question as provided in Article 9. With respect to initial construction of improvements on a Lot, all references to the Covenants Committee shall mean the Initial Construction Committee.

(a) "Initial Construction Committee" means the committee that reviews proposed initial construction of any structure on the Property as set forth in Subsection 9.2(a).

(b) "Modifications and Rules Enforcement Committee" means the committee that reviews proposed plans for any visible additions, alterations or modifications to the exterior of existing structures on the Property as set forth in Subsection 9.2(b). The Modifications and Rules Enforcement Committee also reviews possible violations of the Rules and Regulations and recommends appropriate enforcement action.

(15) "Declarant" means CG Stony Point Townhomes, LLC, a Virginia limited liability company. Following recordation of a document 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.

(16) "Declarant Control Period" means the period beginning on the date of incorporation of the Association and ending on the earliest of: (1) the twentieth (20th) anniversary of the date of the first (1st) conveyance of a Lot to an Owner other than the Declarant; provided, however, 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 (3) years, whichever is less; (2) the date the number of votes of the Class A Owners is greater than the number of votes of the Class B Owner; or (3) the date specified by the Declarant in a written notice to the Association that the Declarant Control Period is to terminate on that date.

(17) "Declaration" means this Declaration for Creek's Edge at Stony Point Town Homes Development made by the Declarant and recorded among the Land Records, as amended from time to time and, except when the context clearly requires otherwise, includes all Supplementary Declarations.

(18) "Design Guidelines" means the standards and guidelines developed by the Declarant or the Initial Construction Committee or developed by the Covenants Committee and adopted by the Board of Directors pursuant to Article 9.

(19) "Development Period" means the period of time that the Declarant is engaged in development or sales, or activities relating thereto, anywhere on the Property or the Additional Land and the Declarant is entitled to exercise certain special declarant rights (as described in Article 5) under the Association Documents. When all the Submitted Land is owned by Owners other than the Declarant (or a lender holding special declarant rights) and all bonds held by a governmental agency with respect to the Property have been released, then the Development Period shall end.

(20) "Home" means any improvement used and occupied primarily as a residence and shall, unless otherwise specified, include without limitation cooperative units,

townhouses or single family homes. For purposes of calculating assessment liability and voting rights under the Association Documents, only improvements for which a certificate of occupancy or other evidence of completion has been obtained from the appropriate governmental agency shall be counted; provided, however, that each Lot shall have at least one vote. If certificates of occupancy have not been issued for the improvements located on Lots owned by the Declarant, then for purposes of voting only, the Lots owned by the Declarant shall be deemed to contain the maximum number of permitted improvements under applicable zoning ordinances and the maximum possible vote.

(21) "Land Records" means the land records of the City of Richmond, Virginia.

(22) "Lot" means a portion of the Property designated as a separate subdivided lot of record or any other parcel of Submitted Land held in separate ownership (but not including any Common Area, common area or common elements of a Subassociation or real estate dedicated for public purposes) and includes any improvements thereon.

(23) "Majority Vote" means a simple majority (more than fifty percent (50%)) of the votes entitled to be cast in person or by proxy at a duly held meeting at which a quorum is present. Any specified percentage vote means that percentage with respect to the total number of votes actually cast by Owners entitled to vote on an issue in person or by proxy at a duly held meeting at which a quorum is present. Any vote by a specified class of Owners means a Majority Vote of the Owners in such class present in person or by proxy at a duly held meeting at which a quorum of that class of Owners 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 at a duly held meeting of the Board (or committee) at which a quorum is present. Any vote of or approval (whether actual or presumed) by a specified percentage of the Mortgagees is calculated based on one (1) vote per Lot on which each Mortgagee has a Mortgage.

(24) "Mortgagee" means an institutional lender (one (1) or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds or business trusts, including 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 foregoing entities) holding a first mortgage or first deed of trust ("Mortgage") encumbering a Lot which has notified the Association of its status in writing pursuant to Section 13.2 and has requested all rights under the Association Documents.

(25) "Officer" means any Person holding office pursuant to Article 6 of the Bylaws.

(26) "Owner" means one (1) 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.

(27) "Person" means a natural person, corporation, limited liability company, partnership, association, trust or other entity capable of holding title or any combination thereof.

(28) "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.

(29) "Private Streets" and "Roadways" means all alleys, streets, roadways, sidewalks, curbs, gutters and parking areas which are part of the Common Area, but not including streets and roadways dedicated to public use by a plat or deed of dedication and/or maintained by a public authority.

(30) "Property" means, at any given time, the Submitted Land together with all improvements and appurtenances thereto now or hereafter existing.

(31) "Recreational Facilities" means the swimming pools, fountain area, mailbox kiosk, clubhouse and associated community buildings and any other facilities owned by or available to the Association from time to time.

(32) "Recreational Facilities Expenses" means Common Expenses for the management, insurance and Upkeep of the Recreational Facilities and such amounts as the Board of Directors may determine to be necessary to create reserves for the Recreational Facilities. The Recreational Facilities shall be deemed Reserved Common Areas as defined below.

(33) "Reserved Common Area" means a portion of the Common Area for which the Board of Directors has granted a revocable license pursuant to Section 3.9 for the exclusive use of Owners of one or more but fewer than all the Lots.

(34) "Rules and Regulations" means the rules and regulations governing the use, occupancy, operation, Upkeep and physical appearance of the Property adopted from time to time by the Board of Directors.

(35) "Subassociation" means any owners association, condominium unit owners association or cooperative association subject to the Declaration and governing some but less than all of the Property pursuant to covenants recorded among the Land Records and representing Owners of Lots. If so directed by the Declarant, a Builder shall be required to form a Subassociation with respect to any portion of the Property acquired by such Builder.

(36) "Submitted Land" means the real estate designated as such in Exhibit A and all real estate which is from time to time submitted to this Declaration and subjected to the jurisdiction of the Association. Submitted Land includes Common Area and Lots but does not include improvements or appurtenances thereto.

(37) "Supplementary Declaration" means any declaration: (i) submitting real estate to the terms of this Declaration and subjecting such real estate to the jurisdiction of the Association, whether or not such Supplementary Declaration contains additional provisions reflecting the unique characteristics of the real estate being submitted; or (ii) submitting a portion of the Property to such supplementary covenants in accordance with the provisions of Article 4.

(38) "Trails" means the paths and trails constructed by the Declarant or an Owner pursuant to an agreement with the Declarant across Lots and any Common Area, for which the Association is to provide upkeep and which is available for the use and enjoyment of all Owners. Such paths and trails shall be considered part of the Common Area, even though located within a Lot.

(39) "Upkeep" means care, inspection, maintenance, clearing snow and ice, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction.

(40) "Visible from Neighboring Property" means with respect to any given object on a Lot, that such object is or would be visible to a person six feet tall, standing on any part of any adjacent Lot or other real estate at an elevation no greater than the elevation of the base of the object being viewed.

Section 1.2. Construction of Association Documents.

(a) Captions; Cross-references. The captions are inserted only for reference, and in no way define, limit or otherwise affect the scope, meaning or effect of any provision. All cross-references are to the Declaration unless otherwise indicated.

(b) Pronouns. The use of the masculine gender shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires.

(c) 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 Documents 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.

(d) Interpretation. If there is any conflict between the Association Documents, this Declaration and then 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 therewith. 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.

(e) No Merger; Savings Clause. The easements granted and reservations made herein or in any Supplementary Declaration shall not terminate or merge and shall continue to run with the Land, notwithstanding the common law doctrine of merger. If the intended creation of any easement provided for in this Declaration should fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to be so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees for the purpose of allowing the Persons to whom the easement were originally to have been granted the benefit of such easement.

(f) Ambiguities Resolved by Declarant. If there is any ambiguity or question as to whether any Person, real estate or improvement falls within any of the definitions set forth in Article 1, the determination made by the Declarant (as evidenced by a recorded Supplementary Declaration) shall be binding and conclusive.

(g) Use of New Technology. Due to the ongoing development of new technologies and corresponding changes in business practices, to the extent permitted by law now or in the future: (1) any notice required to be sent or received; (2) any signature, vote, consent or approval required to be obtained; or (3) any payment required to be made, under the Association Documents may be accomplished using the most advanced technology available at that time if such use is a generally accepted business practice. The use of technology in implementing the provisions of this Declaration dealing with notices, payments, signatures, votes, consents or approvals shall be governed by this Subsection.

(1) Electronic Means. To the extent permitted by law, the Association and the Owners and occupants may perform any obligation or exercise any right by use of any technological means providing sufficient security, reliability, identification and verifiability. Acceptable technological means shall include without limitation electronic communication over the internet, the community or other network, whether by direct connection, intranet, telecopier or e-mail.

(2) Signature Requirements. Any requirement for a signature under the Association Documents may be satisfied by a digital signature meeting the requirements of applicable law.

(3) Electronic Funds Transfer. Payment of all sums to and from the Association and the Owners and occupants may be made by electronic transfer of funds creating a record evidencing the transaction for the period such record would be required to be available in non-electronic form.

(4) Voting Rights. Voting and approval of any matter under the Association Documents may be accomplished by electronic means provided that a record is created as evidence thereof and maintained as long as such record would be required to be maintained in non-electronic form.

(5) Non-technology Alternatives. If any Owner, occupant or third party does not have the capability or desire to conduct business using electronic or other technological means, the Association shall make reasonable accommodation, at its expense, for such person to conduct business with the Association without use of such electronic or other means until such means has become generally (if not universally) accepted in the Richmond, Virginia area.

Section 1.3. The Association.

(a) Creation. The Association is a Virginia nonstock 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 Persons who constitute Owners of the Lots. If more than one (1) Person owns a Lot, then all of such Persons shall collectively constitute one (1) Owner and be one (1) member of the Association. Each Owner (or one (1) representative thereof) is entitled to attend all open meetings of the Association. Membership in the Association is mandatory and automatic with ownership of a Lot.

(c) Classes of Owners: Voting Rights. The Association shall have the classes of Owners (members) with the voting rights set forth in Article 4 of the Articles of Incorporation and as follows:

(1) The Class A Owners shall be the Owners of Lots other than the Declarant during the Declarant Control Period. A Class A Owner shall have one vote for each Home located on each Lot owned by such Owner.

(2) The Class B Owner shall be the Declarant. During the Declarant Control Period, the Class B Owner shall have two hundred ten (210) votes minus one (1) vote for each vote held by a Class A Owner when a vote is taken. If the land described in Exhibits A or B is rezoned or the Development Plan is amended to permit a greater number of dwellings (or the Declarant obtains other approval to permit a greater number of dwellings) to be constructed than permitted at the time the Declaration is recorded, then the number of votes of the Class B Owner described above shall be increased by two (2) times the number of additional dwellings permitted. After the Declarant Control Period expires, the Class B membership shall expire and the Declarant shall become a Class A Owner and have Class A votes with respect to the Lots owned by the Declarant.

ARTICLE 2

COMMON AREA

Section 2.1. Conveyance; Title. The Declarant shall convey the Common Area in each subdivided section of the Property (other than Common Area within a Lot) 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). The Association shall accept title to any real estate or personal property offered to the Association by the Declarant or as directed by the Declarant.

The Declarant will try to identify specifically the Common Area, but such identification shall not be required in order for the real estate to be Common Area. If the Declarant determines that a particular parcel of real estate is or is not Common Area, such determination shall be binding and conclusive. The Common Area may change from time to time. Accordingly, references to Common Area shall be deemed to refer to the Common Area existing at the relevant time.

Section 2.2. No Dedication. Nothing contained herein or in the other Association Documents shall be construed as a dedication to public use or as an assumption of responsibility for Upkeep of any Common Area by any public or municipal agency, authority or utility.

Section 2.3. Regulation of Common Area ; Mortgaging Common Area. The Board of Directors shall have the right to regulate use of the Common Area pursuant to Section 8.3. The Board of Directors may also mortgage, dedicate or convey Common Area owned in fee simple by the Association or grant easements over and through the Common Area subject to the restrictions in Section 15.4.

Section 2.4. Boundary Adjustments. The Board of Directors has the power at any time or times, consistent with the then existing zoning or subdivision ordinances of the applicable governmental authority, and pursuant to a recorded subdivision, resubdivision plat or boundary line adjustment plat, to transfer part of the Common Area at the direction of the Declarant, for the purpose of adjusting Lot lines or otherwise in connection with the orderly subdivision and development of the Property; provided, however, that (i) such transfer shall not reduce the portion of the Property designated as "open space" below the minimum level of "open space" required in the zoning ordinance for the Property at the time of the transfer; (ii) the appropriate governmental authorities approve such Lot line adjustments; (iii) documents showing each such Lot line adjustment are submitted to VA if VA is guarantying a Mortgage on a Lot directly affected by the adjustment, or FHA if FHA is insuring a Mortgage on a Lot directly affected by the adjustment; and (iv) the boundary line adjustment is approved by all Owners of Lots for which the boundaries are being adjusted.

ARTICLE 3

EASEMENTSSection 3.1. Development Easements.(a) Easements Reserved to the Declarant.

(1) Easement to Facilitate Development. The Declarant hereby reserves to itself and its designees a non-exclusive blanket easement over and through the Property for all purposes reasonably related to the development, completion, repair and use of improvements on the Property and the Additional Land, including without limitation: (i) temporary slope and construction easements; (ii) drainage, erosion control and storm and sanitary sewer easements (including the right to cut or remove trees, bushes or shrubbery, to regrade the soil and to take any similar actions reasonably necessary; provided, however, that thereafter the Declarant shall restore the affected area as near as practicable to its original condition); (iii) easements for the storage (in a sightly manner) of reasonable supplies of building materials and equipment necessary to complete the improvements; (iv) easements for the construction, installation and Upkeep of improvements (e.g., buildings, landscaping, street lights, signage, etc.) on the Property and the Additional Land or reasonably necessary to serve the Property or the Additional Land; and (v) easements for ingress and egress as necessary to perform the foregoing.

(2) Easement to Facilitate Sales. The Declarant hereby reserves to itself and its designees, for the term of the Development Period, the exclusive right and easement over and through the Property to: (i) use any Lots owned or leased by the Declarant, any other Lot with the written consent of the Owner thereof or any portion of the Common Area (including any buildings thereon) as models, management offices, sales offices, a visitors' center, construction offices, customer service offices, or sales office parking areas (provided, however, that the Declarant or its designee, as appropriate, shall remain responsible for the Upkeep of that portion of the Common Area used for the foregoing purposes); (ii) place and maintain in any location on the Common Area and on any Lot, street and directional signs, temporary promotional signs, temporary construction and sales offices, plantings, street lights, entrance features, "theme area" signs, lighting, stone, wood or masonry walls or fences and other related signs and landscaping features; provided, however, that all signs shall comply with applicable governmental regulations; and (iii) relocate or remove all or any of the above from time to time at the Declarant's sole discretion.

(3) Easement for Utilities and Related Services.

(i) General Utility Easement. The Declarant hereby reserves to itself and its successors and assigns a non-exclusive perpetual blanket easement over and through the Property for ingress, egress, installation and Upkeep of the equipment for providing to any portion of the Property or adjacent real estate, any utilities, including without limitation water (both potable and for irrigation from wells or other sources), sewer, drainage, gas, and electricity, telephone, television or other telecommunications service, whether public or private;

such easement may be assigned, in whole or in part, to any Person installing or providing Upkeep for the aforesaid services. Any pipes, conduits, lines, wires, transformers and any other apparatus necessary for the provision or metering of any utility may be installed, maintained or relocated 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; provided, however that no utility line shall run beneath a Home other than the utility lines serving such Home.

(ii) Specific Development Easement Areas. The Declarant hereby reserves to itself and its successors and assigns the right to grant and reserve easements, rights-of-way and licenses over and through the Common Area within twenty (20) feet of any boundary line of any Lot for the installation and Upkeep of the equipment for providing to any portion of the Property, any utilities, including without limitation water, sewer, drainage, gas, and electricity, telephone, television or other telecommunications service, whether public or private, or for any other purpose necessary or desirable for the orderly development of the Property or for the benefit of adjoining real estate; provided, however, that no line shall run beneath a Home other than the lines serving such Home.

(4) Dedications and Easements Required by Governmental Authority. The Declarant hereby reserves to itself and its successors and assigns, the right to make any dedications and to grant any easements, rights-of-way and licenses required by any government or governmental agency over and through all or any portion of the Common Area. The Declarant also hereby reserves to itself and its successors and assigns the right to make any corrections required by a governmental authority or utility and the right to grant and reserve easements or to vacate or terminate easements across all Lots and Common Area as may be required by any governmental agency or authority or utility company in connection with the release of bonds or the acceptance of streets or utilities for public maintenance or in order to obtain utility and other public services with respect to the Property.

(5) Storm Water Management Easement. The Declarant hereby reserves to itself and its successors and assigns an easement and the right to grant and reserve easements over and through the Property for the construction and Upkeep of storm water management, BMP and erosion control facilities, including storm water retention areas. The Declarant shall also have the right to allow the owners of adjacent real estate to tie into the storm water management facilities for the Property; provided, however, that such owners pay that portion of the expense of Upkeep for the storm water management facilities for the Property as may be deemed appropriate by the Declarant.

(6) Access to Exterior and Adjacent Roof. The Declarant hereby reserves an easement to itself, its designees and also grants to the Association, the adjacent Owner and their agents, employees or designees for access to the exterior and roof area of improvements built or to be built upon the Lots which share a common wall with the improvements on the adjacent Lot or Common Area for the purpose of inspection and Upkeep of such exterior and roof areas and which easement shall permit any Person exercising its rights under this section access at reasonable hours for such purposes. This easement is for the purpose of mutual protection of adjacent Owners from damage or possible damage to an improvement resulting from lack of exterior Upkeep or roof leakage from or into an adjacent improvement.

Section 3.2. Association Power to Make Dedications and Grant Easements. The Declarant, on behalf of itself and its successors and assigns, hereby also grants to the Association the rights, powers and easements reserved to the Declarant. These rights, powers and easements may be exercised by the Association, subject to Section 15.4; provided, however, that the 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.

(a) Association Access. The Declarant, on behalf of itself and its successors and assigns, hereby grants the right of access over and through any portion of the Property (including, any occupied Home or improvement) to the Association, the managing agent and any other Persons authorized by the Board of Directors, in the exercise and discharge of their respective powers and responsibilities, including without limitation to make inspections, correct any condition originating in a Lot or in the Common Area threatening another Lot or the Common Area, correct drainage, perform installations or Upkeep of utilities, landscaping or other improvements located on the Property for which the Association is responsible for Upkeep, or correct any condition which violates the Association Documents. The agents, contractors, Officers and directors of the Association may also enter any portion of the Property (including, any occupied Home or improvement) in order to utilize or provide for the Upkeep of the areas subject to easements granted in this Article to the Association. 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 pursuant to Section 12.1, and the costs incurred by the Association shall be assessed against such Owner's Lot in accordance with Sections 6.2 and 12.1.

(b) Declarant Access. Until the expiration of the Development Period, the Declarant hereby reserves to itself and its successors and assigns a right of access over and through any portion of the Property to make improvements and perform repairs and warranty-related work within the Common Area or the Lots, including any occupied Home or improvements thereon. The Declarant may assign its rights under this subsection to, or share such rights with, one or more other Persons, exclusively, simultaneously or consecutively.

(c) Entry into Improvements. If entry to a Home or an improvement is required by any Person pursuant to this section, a request for entry shall be made in advance and such entry shall be made, to the extent practicable, at a time reasonably convenient to the Owner; provided, however, that no notice shall be necessary in the event of an emergency.

Section 3.4. Limitations on Exercise of Rights and Easements.

(a) Other Easements. These easements are subject to all other easements and encumbrances of record (including those created by this Declaration).

(b) Notice. The Declarant, the Association, any Owner or any other Person, as appropriate, when exercising the rights and easements granted by this Article, shall: (i) give reasonable prior notice to all affected Owners, unless an emergency exists which precludes such notice; (ii) minimize any economic or aesthetic injury to the affected Lots or the Common Area; and (iii) not unreasonably interfere with the affected Owners' use, enjoyment and benefit from such Owners' Lots or the Common Area.

(c) Relocation. If an easement is relocated, the cost of such relocation shall be paid by the party requesting the relocation.

(d) Damage. Any damage resulting from the exercise of the aforesaid rights and easements shall be promptly repaired and the site restored to the extent practicable by the Declarant or the Association, as appropriate, or at the option of the Declarant or the Association, the party responsible for such damage. In either case, the cost of such repair and restoration shall be paid for by the party responsible for the damage.

Section 3.5. Easements for Encroachments. If any improvement on the Property 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.

Section 3.6. Easement for Support. To the extent that any portion of the Property now or hereafter supports or contributes to the support of any other portion of the Property, the former is hereby burdened with an easement for the lateral and subjacent support of the latter.

Section 3.7. Easement for Emergency Access. The Declarant, on behalf of itself and its successors and assigns, hereby grants an easement: (i) to all police, fire, ambulance and other rescue personnel over and through all or any portion of the Property for the lawful performance of their functions during emergencies and (ii) to the Association over and through all Lots, if emergency measures are required in any Lot to reduce a hazard thereto or to any other portion of the Property. The Association is hereby authorized but not obligated to take any such measures.

Section 3.8. Easement for Use of Common Area.

(a) Use and Enjoyment. The Declarant hereby reserves to itself during the Development Period and, on behalf of itself and its successors and assigns, grants to each Owner and each Person lawfully occupying a Lot a non-exclusive right and easement of use and enjoyment in common with others of the Common Area. Such right and easement of use and enjoyment shall be appurtenant to each Lot, whether or not mentioned in the deed thereto. Each Owner is also hereby granted a non-exclusive easement for ingress and egress (including lead sidewalks and driveway aprons) over the Common Area to the extent necessary to provide utility services and vehicular and pedestrian access to such Lot for such Owner and such Owner's

household, tenants, guests, employees, agents and invitees, subject to any Rules and Regulations promulgated by the Association pursuant to Section 8.3. The Association, acting through its Board of Directors without the joinder or approval of any Owner or holder of a Mortgage, is authorized on behalf of each Owner to relocate, modify or terminate easements over and across the Common Area now or hereafter granted in this Declaration, in deeds of subdivision or otherwise; provided, however, that each Owner retains (in a location determined by the Board of Directors) a right of convenient, unobstructed, all weather access to such Owner's Lot for vehicular and pedestrian ingress and egress and for utility services. A conveyance or dedication of a portion of the Common Area to any entity, other than an entity formed for similar purposes in which the Owner is directly or indirectly a member, shall extinguish the Owner's easement rights except those easements which provide access and utility services to such Owner's Lot. Every Owner and each Person lawfully occupying a Lot is also granted a non-exclusive easement over all streets, walks and paths on the Common Area for the purpose of vehicular and/or pedestrian access, ingress and egress, as appropriate, to any portion of the Property to which such Person has the right to go, subject to any Rules and Regulations promulgated by the Association pursuant to Section 8.3. Any purported conveyance or other transfer of such rights and easements apart from the Lot to which such rights and easements are appurtenant is void.

(b) Rights and Obligations Over Adjacent Development. The Declarant hereby reserves to itself during the Development Period and, on behalf of itself and its successors and assigns, grants to each Owner and each Person lawfully occupying a Lot a non-exclusive right and easement as well as the obligations associated with the use and enjoyment of the CGSP Property in that certain Deed of Easement and Maintenance Agreement ("CGSP Agreement") recorded among the Land Records as Instrument No. 04-044124. The rights and easements of the CGSP Agreement shall be appurtenant to each Lot and the obligations thereunder shall burden each Lot, whether or not mentioned in the deed thereto. Said rights and obligations shall be managed by the Association, who shall have the authority to assess all the Lot Owners in the amount required to satisfy the cost sharing obligations under the CGSP Agreement. The rights and obligations under the CGSP Agreement shall also be subject to any Rules and Regulations promulgated by the Association pursuant to Section 8.3.

Section 3.9. Reserved Common Area and Limited Common Area.

(a) Reserved Common Area. The Declarant during the Declarant Control Period and the Board of Directors thereafter shall have the power in their discretion from time to time to grant revocable licenses in the Common Area by designating portions of the Common Area as Reserved Common Area. This right extends to Common Area that has been assigned as Limited Common Area for the primary use of the Declarant or the Owners of a group of Lots, so long as the assignment of Reserved Common Area is to one of the Owners of the Lots that have been designated to receive the primary use of such Limited Common Area. Such Reserved Common Area shall be subject to such restrictions, reasonable charges and conditions on the use thereof as the Declarant or the Board of Directors (as the case may be) may deem appropriate. At the option of the Board of Directors, Upkeep of such Reserved Common Area shall be performed by the Association and paid for as a Common Expense or a Limited Common Expense or, at the Board's option, by the Persons having the exclusive right to use the Reserved Common Area. The Declarant and the Board of Directors are not required to assign Reserved

Common Area in a uniform manner, but are only required to use their business judgment. For example, (i) the Declarant may reserve the use of the clubhouse or maintenance building for its sales or office purposes to the exclusion of the Owners, and (ii) the Board of Directors may determine to assign parking spaces to some Owners and not others, or to assign different numbers of parking spaces to different Owners based on whether or not such Owners have parking on such Owners' Lots, to provide for priority parking because of a handicap, or for other reasonably justifiable purposes.

(b) Limited Common Area. During the Development Period, the Declarant shall have the right without the joinder or approval of the Association or any Owner or Mortgagee, to restrict portions of the Common Area in the nature of an easement for the primary (or exclusive if specifically designated) use of the Declarant or the Owners of one or more specific Lots by designating such portions of the Common Area as Limited Common Area. The Declarant may (1) describe the location of the Limited Common Area and the Lots to which it is appurtenant in this Declaration or a Supplementary Declaration; (2) indicate the locations of the Limited Common Area appertaining to one or more Lots by depicting such Limited Common Area and the Lots which it is appurtenant on the plat attached as an exhibit to a Supplementary Declaration; or (3) label a portion of the Common Area shown on a plat as an Exhibit to a Supplementary Declaration as "Common Area that may be assigned as Limited Common Area", and thereafter assign such Limited Common Area to one or more specific Lots by unilaterally amending the Supplementary Declaration to indicate the assignment, depicting the Limited Common Area being assigned and the Lots to which it is appurtenant. The Declarant shall not, however, designate Common Area as Limited Common Area or Common Area that may be assigned as Limited Common Area once such Common Area has been conveyed to the Association. The Declarant hereby reserves the exclusive right to assign all or any portion of the Common Area as Limited Common Area to be used as parking spaces, being in the nature of a irrevocable easement for the exclusive use of the Owners of the Lots to which such spaces are appurtenant and the Declarant may unilaterally record an amendment to the Declaration showing the assignment of such Limited Common Area.

Section 3.10 Priority and Enforcement of Easements.

(a) No Subordination. No Person may subordinate the easements herein created to any subsequent encumbrance.

(b) No Enforcement by Third Parties. The easements and rights granted by this Declaration shall not be enforceable by Persons to whom such easements and rights may be delegated by Owners, including without limitation the tenants, agents or invitees of any Owner. This subsection does not affect, however, the rights of Mortgagees in possession or court-appointed officers in possession and control of a Lot acting in the name, place and stead of Owners or any Person's right to enforce any easements or rights granted in any lease or agreement between such Person and an Owner.

(c) Easements Additional. The easements created by or pursuant to this Article shall be in addition to such other easements as may be created by recordation of appropriate instruments among the Land Records.

Section 3.11. Limited Appointment of Attorney-in-Fact. Each Owner, for such Owner and such Owner's successors and assigns, by acquisition of title to all or any portion of the Property irrevocably appoints the Declarant during the Development Period and the Association after the Development Period as attorney-in-fact to grant, relocate and terminate all easements, rights-of-way and licenses which the Declarant or the Association has the power to grant pursuant to the Association Documents and subject to the limitations set forth therein; provided, however, that any action taken as attorney-in-fact shall not materially, adversely affect any Owner's use and development of the Lot owned by such Owner. The Declarant shall act as such attorney-in-fact only in furtherance of its development of the Property, and the Association shall act as such attorney-in-fact only in furtherance of its responsibilities and duties as set forth in the Association Documents, it being recognized that this grant of a power of attorney is required because the Declarant or the Association may not own the real estate to be subjected to easements, rights-of-way and licenses hereunder.

Section 3.12. Dedications. Notwithstanding any other provision of this Declaration, any easement created herein or pursuant hereto shall automatically terminate and cease to exist with respect to any portions of the Property dedicated for public rights-of-way or utilities and accepted for maintenance by a public authority.

ARTICLE 4

DEVELOPMENT OF THE PROPERTY

Section 4.1. Expansion by the Declarant.

(a) Designated Additional Land. The Declarant hereby reserves an option until the twentieth (20th) anniversary of the date of recordation of this Declaration to expand the Property from time to time without the consent of any Owner or Mortgagee (except the owner or holder of a deed of trust on the real estate to be submitted to the Declaration) by submitting all or any portion of the Additional Land to the provisions of this Declaration and the jurisdiction of the Association whether or not such real estate is owned by the Declarant. The option to expand may be terminated earlier only upon the recordation by the Declarant of an instrument relinquishing such option. The Declarant reserves the unilateral right, without the approval of any Owner or Mortgagee, to execute and record a Supplementary Declaration, subjecting any Lot to such additional covenants and restrictions as may be necessary to reflect the different characteristics of such Lot as are not inconsistent with the overall scheme of the Declaration; provided, however, that the Declarant shall not have such right after the conveyance of such Lot to an Owner other than the Declarant without the written consent of such Owner (and the Mortgagee of such Lot). The Declarant shall add Additional Land in accordance with the procedures set forth in Section 4.3. There are no limitations on the option to expand except as set forth in this Article. If the Declarant does not submit all or any portion of the Additional Land to the Declaration, such real estate may be developed in any manner allowable under local zoning ordinance without regard to the restrictions in this Declaration.

(b) Undesignated Additional Land. The Declarant may unilaterally amend the description of Additional Land set forth in Exhibit B and the plat set forth as Exhibit C without the approval of any Owner or Mortgagee to expand the area referred to as Additional Land whether or not such real estate is owned by the Declarant; provided, however, that such additional real estate is immediately adjacent to the Property or across a public right-of-way from the Property and does not increase the total acreage of the real estate originally described in Exhibits A and B by greater than ten percent (10%).

Section 4.2. Expansion by the Association. With the written consent of the fee simple owner (if not the Association) and any mortgagee or holder of a deed of trust on such real estate, a sixty-seven percent (67%) vote or written approval from Owners entitled to cast sixty-seven percent (67%) of the total number of votes and the written consent of the Declarant during the Development Period, the Association may submit any real estate located immediately adjacent to the Property or across a public right of way from the Property to the provisions of this Declaration and the jurisdiction of the Association, in accordance with the procedures set forth in Section 4.3.

Section 4.3. Procedure for Expansion; Additional Covenants. The Declarant or the Association, as appropriate, may record one (1) or more Supplementary Declarations. Each Supplementary Declaration adding real estate shall: (i) include a legally sufficient description of the real estate added and (ii) describe any real estate being conveyed to the Association as Common Area and describe any new Lots. Any Supplementary Declaration may contain such additional covenants and restrictions as may be necessary to reflect the different characteristics of the Lots or the land uses if consistent with the overall scheme of this Declaration. Upon recording a Supplementary Declaration submitting real estate to the Declaration, the provisions of the Declaration shall apply to the real estate thereby added as if such real estate were originally part of the Submitted Land. Any Owner other than the Declarant submitting Additional Land to the Declaration shall be deemed to have granted all the easements and rights granted and reserved herein to the Declarant, the Association and the Owners.

ARTICLE 5

SPECIAL DECLARANT RIGHTS; TRANSFER

Section 5.1. Special Declarant Rights. Special declarant rights are those rights reserved for the benefit of the Declarant as provided for in the Association Documents, and shall include without limitation the following rights: (1) to use easements over and through the Property for the purpose of making improvements within the Property; (2) to establish, construct, maintain and use model homes, management offices, construction offices, sales offices, customer service offices and signs advertising the Property; (3) to exercise the rights and votes of the Class B Owner; (4) to remove and replace any director elected by the Class B Owner until the meeting at which all the Class A Owners are entitled to elect a majority of the directors; (5) to make unilateral amendments to the Association Documents as provided in this Declaration; (6) to remove and replace any director appointed by the Declarant pursuant to Article 5 of the Articles of Incorporation; (7) to add Additional Land; and (8) to exercise any other rights given to the Declarant.

Section 5.2. Transfer of Special Declarant Rights.

(a) Procedure. The Declarant may transfer special declarant rights created or reserved under the Association Documents to any Person acquiring Lots or Additional Land by an instrument evidencing the transfer recorded in the Land Records. The instrument is not effective unless executed by the transferor and transferee. A partial transfer of special declarant rights does not prevent the transferor declarant from continuing to exercise special declarant rights with respect to real estate retained by such declarant. The instrument providing for a partial transfer of special declarant rights shall allocate voting rights between the transferor and the transferee.

(b) Liability of Transferor. Upon transfer of any special declarant right, the liability of a transferor declarant is as follows:

(1) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations the transferor has undertaken by contract or which are imposed upon the transferor by law.

(2) If the successor to any special declarant right is an Affiliate of a declarant (as defined in Subsection (g)), the transferor is jointly and severally liable with the successor for any obligation or liability of the successor that relates to the Property.

(3) If a transferor retains any special declarant rights, but transfers other special declarant rights to a successor who is not an Affiliate of the declarant, the transferor remains liable for any obligations and liabilities relating to the retained special declarant rights imposed on a declarant by the Association Documents arising after the transfer.

(4) A transferor has no liability for any act or omission, or any breach of a contractual or warranty obligation arising from the exercise of a special declarant right by a successor declarant who is not an Affiliate of the transferor.

(c) Effect of Foreclosure on Successor. Unless otherwise provided in a Mortgage, in case of foreclosure of a Mortgage (or deed in lieu of foreclosure), tax sale, judicial sale, sale by a trustee under a deed of trust or sale under the Bankruptcy Code or receivership proceedings, of any Lots or Additional Land owned by a declarant, a Person acquiring title to all the Lots or Additional Land being foreclosed or sold, but only upon such Person's request, succeeds to all special declarant rights related to such Lots or Additional Land or only to any rights reserved in the Association Documents to establish, construct, maintain and use model homes, management offices, construction offices, sales offices, customer service offices and signs advertising the Property. The judgment, instrument conveying title or other instrument recorded in the Land Records shall provide for transfer of only the special declarant rights requested.

(d) Effect of Foreclosure on Declarant. Upon foreclosure (or deed in lieu of foreclosure), tax sale, judicial sale, sale by a trustee under a deed of trust, or sale under the

Bankruptcy Code or receivership proceedings, of all Lots and Additional Land owned by a declarant (1) the declarant ceases to have any special declarant rights; and (2) the Declarant Control Period terminates unless the judgment, instrument conveying title or other instrument recorded among the Land Records provides for transfer of special declarant rights held by that declarant to a successor declarant.

(e) Liability of Successor. The liabilities and obligations of Persons who succeed to special declarant rights are as follows:

(1) A successor to any special declarant right who is an Affiliate of a declarant is subject to all obligations and liabilities imposed on the transferor by the Association Documents.

(2) A successor to any special declarant right, other than a successor described in paragraphs (3) or (4) of this subsection or a successor who is an Affiliate of a declarant, is subject to all obligations and liabilities imposed by the Association Documents: (A) on a declarant which relate to such declarant's exercise or non-exercise of special declarant rights; or (B) on the transferor, other than: (i) misrepresentations by any previous declarant; (ii) warranty obligations, if any, on improvements made by any previous declarant, or made before the Association was created; (iii) breach of any fiduciary obligation by any previous declarant or such declarant's appointees to the Board of Directors; or (iv) any liability or obligation imposed on the transferor as a result of the transferor's acts or omissions after the transfer.

(3) A successor to only a right reserved in the Association Documents to establish, construct, maintain and use model homes, sales offices, customer service offices and signs, if such successor is not an Affiliate of a declarant, may not exercise any other special declarant right, and is not subject to any liability or obligation as a declarant.

(4) A successor to all special declarant rights held by a transferor who succeeded to those rights pursuant to foreclosure, a deed in lieu of foreclosure or a judgment or instrument conveying title under Subsection (c), may declare the intention in an instrument recorded in the Land Records to hold those rights solely for transfer to another Person. Thereafter, until transferring all special declarant rights to any Person acquiring title to any Lots owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than any right held by the transferor to vote as the Class B Owner in accordance with the provisions of the Association Documents, and any attempted exercise of those rights is void. So long as a successor declarant may not exercise special declarant rights under this subsection, such successor is not subject to any liability or obligation as a declarant.

(f) Limitation. Nothing in this Article subjects any successor to a special declarant right to any claim against or other obligation of a transferor declarant, other than claims and obligations arising under the Association Documents.

(g) Affiliate. For the purposes of this section, "Affiliate" or "Affiliate of a declarant" means any Person who controls, is controlled by, or is under common control with a

declarant. A Person controls a declarant if the Person (i) is a general partner, officer, director or employer of the declarant, (ii) directly or indirectly or acting in concert with one or more related Persons or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing more than twenty percent (20%) of the voting interests in the declarant, (iii) controls in any manner the election of a majority of the directors of the declarant, or (iv) has contributed more than twenty percent (20%) of the capital of the declarant. A Person is controlled by a declarant if the declarant (i) is a general partner, officer, director or employer of the Person, (ii) directly or indirectly or acting in concert with one (1) or more related Persons or through one (1) or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing more than twenty percent (20%) of the voting interest in the Person, (iii) controls in any manner the election of a majority of the directors of the Person, or (iv) has contributed more than twenty percent (20%) of the capital of the Person. Control does not exist if the powers described in this paragraph are held solely as security for an obligation and are not exercised.

Section 5.3. No Obligations. Nothing contained in the Association Documents shall impose upon the Declarant or its successors or assigns any obligation of any nature to build, construct, renovate or provide any improvements. Neither the Declarant nor its successors or assigns shall be liable to any Owner or occupant by reason of any mistake in judgment, negligence, nonfeasance, action or inaction or for the enforcement or failure to enforce any provision of this Declaration. No Owner or occupant of any portion of the Property shall bring any action or suit against the Declarant to recover any damages or to seek equitable relief because of the enforcement or failure to enforce any provision of the Declaration against a third party.

P A R T T W O

ARTICLE 6

COMMON EXPENSES AND ASSESSMENTS

Section 6.1. Determination of Common Expenses and Budget.

(a) Fiscal Year. The first fiscal year of the Association shall be as determined in accordance with Section 9.4 of the Bylaws.

(b) Preparation and Approval of Budget.

(1) At least sixty (60) 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 the cost of 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.

(2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide for working capital (available cash for day-to-day expenses which is otherwise uncommitted), a general operating reserve (including an

amount to cover operating losses due to insurance deductibles), reserves for contingencies (potential costs or liabilities which have not been incurred but which should be planned for) and reserves for replacements and future capital expenditures. At least thirty (30) days before the beginning of each fiscal year, the Board of Directors shall make available a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses and provide a copy of such budget to each Owner. Such budget shall constitute the basis for determining the Assessment against each Lot.

(c) 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 such Person 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; provided, however, that payments shall be due not less than quarterly nor more frequently than monthly unless specifically provided otherwise herein. All sums collected by the Board of Directors with respect to Assessments against the Lots or from any other source may be commingled into a single fund.

(d) Initial Budget and Initial Assessments.

(1) Upon taking office, the first Board of Directors shall determine the budget, as defined in this section, for the period commencing thirty days after taking office and ending on the last day of the fiscal year in which such directors take office.

(2) 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 earlier of: (i) the date the Lot is conveyed to an Owner other than the Declarant or (ii) the date the Lot is occupied for the first time. 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 (1st) day of each payment period remaining in that fiscal year. Such Assessment shall be levied and become a lien as set forth in Section 12.2.

(3) Notwithstanding the foregoing, the Declarant may, at the Declarant's sole option, decide to pay all ordinary operating costs of the Association (or a portion thereof) for a specified period of time. If the Declarant so elects, the Association will incur no Common Expenses or will incur reduced Common Expenses and thus no regular Annual Assessments or reduced Annual Assessments will be collected during such time. The Declarant may accomplish this by capping the Annual Assessment for each Lot for a specified period of time, with the Declarant funding any deficiency in operating costs of the Association.

(e) 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, 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.

Section 6.2. Assessments.

(a) Purpose, Rate and Calculation of Annual Assessment.

(1) Common Expense Assessments. Subject to the limitations below, the total amount of the estimated funds required for: (i) the management and Upkeep of the Property; (ii) services to the Lots and Owners; and (iii) meeting obligations of the Association established pursuant to this Declaration or other shared Upkeep agreements shall be assessed annually against the Lots. The Board of Directors shall establish an Annual Assessment rate for each Lot in the same amount against all Lots subject to assessment for Common Expenses, as well as Limited Common Expenses and Recreation Facilities Expenses, as applicable.

(2) Calculating Assessments. A dwelling shall not be counted as actually constructed for the purpose of calculating Assessments until issuance of a certificate of occupancy or similar permit by the appropriate government agency with respect to such dwelling unit.

(3) Limited Common Expense Assessment. Limited Common Expenses shall be assessed only against the Lots benefited in proportion to their relative Common Expense liability inter se or based on usage, as appropriate. The Board of Directors shall consult with and rely on the advice of the Covenants Committee with respect to the annual budget for maintaining the Common Area and providing services for such Lots.

(4) Recreational Facilities Assessment. The Board of Directors shall assess each Lot which is subject to assessment pursuant to paragraph (1) of Subsection 6.2(a) for Recreational Facilities Expenses as a Limited Common Expense in an amount to be determined by the Board of Directors.

(5) Limitations on Increases. Beginning on the second (2nd) full fiscal year following the expiration of the period of Declarant subsidy, as described in Section 6.1(d)(3) above, the Board of Directors shall not increase the assessment per Lot by more than the maximum amount calculated as set forth below, without approval by a Majority Vote of the Owners. The maximum increase without Owner approval shall be the greater of ten percent (10%) or the increase in the CPI during the last twelve (12) month period for which figures are available at the date when the Board adopts the budget.

(b) Additional Assessments. If additional funds are required during any fiscal year, the Board of Directors may levy Additional Assessments on the Lots subject to assessment pursuant to paragraph (1) of Subsection 6.2(a); provided, however, that such Additional Assessment when added to the Annual Assessment for Common Expenses, shall not exceed the applicable maximum Annual Assessment unless approved by the Owners. The Board of Directors shall give notice of any Additional Assessment to the Owners specifying the amount and reasons therefor, and such Assessment shall, unless otherwise specified in the notice, be payable in full with the next periodic installment which is due more than ten (10) days after the date of such notice or in not more than six (6) equal periodic installments, as the Board may determine. Such Assessment shall be a lien as set forth in Section 12.2.

(c) 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 Subsection 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 Subsection 12.1; and (iii) for any costs incurred by the Association because of any violation or negligence for which that Owner is responsible under Subsection 12.1(a). Each such Assessment shall be due ten (10) days after notice thereof is given to the Owner unless the notice specifies a later date. Individual Assessments are not included in or subject to the maximum Annual Assessment for General Common Expenses.

(d) Optional Expenses. Upon request, the Association may provide certain services to Owners (including the Declarant) on a contractual basis; provided, however, that the charge for such services shall be assessed against such Owners' Lots in accordance with the terms of the contract.

(e) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, operations (including losses due to insurance deductibles), contingencies and replacements. Such funds shall be a Common Expense of the Association and shall be deposited and invested by the Board of Directors.

(f) Surplus and Deficit.

(1) 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 during the last complete fiscal year.

(2) Unless the surplus from the preceding years is applied against the deficit or the budget for the succeeding fiscal year is adjusted to amortize the deficit during such fiscal year, any net shortage in expenses (including reserves) shall be assessed promptly against the Owners as an Additional Assessment in accordance with Subsection 6.2(b).

(g) Lots Added During the Fiscal Year; Improvements Completed During Fiscal Year.

(1) Lots. Notwithstanding any other provision of this Article, whenever any Additional Land is added, the assessment against each Lot being added (other than unoccupied Lots which are owned by the Declarant and exempt from assessment in accordance with Section 6.3) shall be calculated in the same manner and be due in the same number of installments as the assessment for the remainder of the fiscal year against Lots already a part of the Property. In addition, the Owner of the Lot being added shall pay a prorated portion of any amount payable for the period between the date the Lot becomes subject to assessment pursuant to paragraph (1) of Subsection 6.2(a) and the due date of the next installment. Such proration of the Assessment due for any Lot added shall be based upon the total Assessment due and a 365-day fiscal year. Payment of the prorated portion will be due no later than the due date of the first (1st) installment to be paid by the Owner of any Lot added.

(2) Improvements. For Lots upon which a Home is completed during the fiscal year, such Lot shall continue to pay the monthly installment of the Annual Assessment as previously calculated through the end of the month during which the certificate of occupancy is issued. From and after the first (1st) day of the next month, such Lot shall pay an Annual Assessment based upon the completed Home.

Section 6.3. Assessment Against Lots Owned by the Declarant.

(a) Declarant's Deficit-funding Obligation. For so long as the Declarant is exempt from full Assessment for an unoccupied Lot, the Declarant must provide all necessary Upkeep for such Lot. In addition, during the Declarant Control Period, the Declarant must fund all operating budget deficits (the amount by which the operating expenses of the Association exceed the total budgeted income of the Association) excluding non-cash charges such as depreciation, including reasonable reserves (based on expected useful life of the Common Area improvements). 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 net deficit to be paid by the Declarant shall be cumulative over the period the Declarant owns Lots exempt from full assessment, regardless of the timing of payments or cash flow of the Association. The Declarant's obligation under this section shall not exceed the amount the Declarant would be obligated to pay if all Lots owned by the Declarant were assessed in accordance with Subsection 6.2(a), less any Assessments actually paid pursuant to Subsection 6.3(a) with respect to such Lots. The obligations of the Declarant under this section shall be a lien against the portion of the Property owned by the Declarant.

(b) Exemptions. The Common Area and any properties dedicated to a public authority or exempt from taxation by a public authority shall be exempt from assessment and the lien created hereby. Lots owned by the Declarant for which no certificate of occupancy has been issued shall be exempt from full assessment for Common Expenses and the lien created hereby for so long as the Declarant meets its obligations under Section 6.3(a) above. 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 (ii) initial occupancy.

Section 6.4. Liability for Common Expenses.

(a) Declarant and Owner Liability. The Declarant for each Lot owned by the Declarant, and each Owner of a Lot, by acceptance of a deed therefor (whether or not so stated in any such deed or other conveyance), covenant and agrees, to pay to the Association all Common Expenses, including other charges assessed by the Board of Directors pursuant to the provisions of this Declaration. Each Owner shall be personally liable for all Assessments against such Owner's Lot. No Owner may be exempted from liability for the assessment for Common Expenses by reason of waiver of the use or enjoyment of any of the Common Area or by abandonment of the Lot. 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 in fee 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 the Statement of Common Expenses or (ii) if no Statement of Common Expenses is obtained, the amount shown on the 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 (6) monthly installments of the Annual Assessment for Common Expenses in any case without prejudice to the purchaser's right to recover from the selling Owner amounts paid by the purchaser therefor. 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 Mortgagee 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 accrue prior to the time such Mortgagee or purchaser comes into possession thereof, except as provided below and 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 the Mortgagee or purchaser takes possession. 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 to the Mortgagee, the excess shall first be paid to the Association and applied to the satisfaction of the Association's lien created by Section 12.2.

(c) Exemptions. The Common Area and any properties dedicated to a public authority or exempt from taxation by a public authority shall be exempt from assessment and the lien created hereby. Lots that have never been occupied and are owned by the Declarant shall be exempt from assessment for Common Expenses and the lien created hereby for so long as the assessment levied pursuant to Subsection 6.3(a) is paid.

Section 6.5. Collection of Assessments. Any assessment, or installment thereof, not paid within ten (10) days after the due date shall be delinquent and shall accrue a late charge in the amount of Twenty-five Dollars (\$25.00) or such other amount as may be established from time to time by the Board of Directors, plus interest thereon calculated from the due date thereof at an annual rate equal to the Prime Rate (as published by the Wall Street Journal) plus five percent (5%). The Board of Directors, or the managing agent at the request of the Board, shall take prompt action to collect any Assessments for Common Expenses due from any Owner which remain unpaid for more than thirty (30) days after the due date for payment thereof. The late charge is in addition to the Association's other enforcement powers pursuant to Article 12.

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 receipt of a written request therefor, with a written statement of all unpaid Assessments for Common Expenses due with respect to a specific Lot (or a statement that the amount of unpaid Assessments is zero) ("Statement of Common Expenses") as part of the "Association Disclosure Packet" substantially in the form attached as Exhibit B to the Bylaws or otherwise. 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, which may be paid to the managing agent or other person preparing such statement.

ARTICLE 7

OPERATION OF THE PROPERTY

Section 7.1. Upkeep by the Association.

(a) Common Area. The Association shall be responsible for the management and Upkeep of all of the Common Area, Limited Common Area and Reserved Common Area, such Upkeep to include without limitation: (i) Upkeep of all open areas, including grass cutting, trash collection, irrigation system operation and maintenance, landscaping and lawn maintenance; (ii) Upkeep of the Private Streets and Roadways, Trails and parking areas, including clearing snow and ice; (iii) Upkeep and operation of all Recreational Facilities located on the Common Area or Reserved Common Area, if any; and (iv) Upkeep of all other improvements located on the Common Area, including without limitation: (1) all landscaping and irrigation systems within the Common Area; (2) all lighting within the Common Area; (3) trash receptacles, fences, walls, culverts, gates and cameras within the Common Area or easement areas benefiting the Association; (4) walkways, pathways and driveways within the Common Area; (5) project signage located on the Common Area, easement areas benefiting the Association or on any other portion of the Property; and (6) utility lines, equipment and

appurtenances for providing water, sewage, drainage, BMPs, erosion control, storm water management, gas, electricity, telephone, television reception and other related facilities serving more than one Lot or Lots other than the one upon which such equipment is located to the extent permitted by paragraph (3) of Subsection 3.1(a). Further, the Board of Directors shall maintain as Common Area the landscaping, Trails, sidewalks, driveways, driveway aprons and irrigation system located within any Lot; provided, however, that the Association shall not maintain additional landscaping, irrigation or other improvements installed by Owner. Further, the Board may determine that all or a part of the Upkeep of any portion of the Common Area designated as Reserved Common Area shall be performed by the Person having the exclusive right to use the same, at such Person's sole expense. The Association shall not have any other responsibility for the Upkeep of any Lot except for rights specifically enumerated within the Association Documents for easement areas pursuant to Section 3.3, Lots pursuant to this Section 7.1 or other areas described in the subdivision documents for the Property or separate easement agreements. Notwithstanding the general provisions for Upkeep of Common Area set forth in this section, other specific Upkeep responsibilities and allocations of Upkeep costs shall be determined by any provisions therefor indicated in either a Supplementary Declaration or plat recorded when subjecting such Common Area to the Declaration.

(b) Costs.

(1) Except as otherwise specifically provided in this Section 7.1, the cost of all management and Upkeep of the Common Area shall be charged to the Owners as a Common Expense (except for improvements specially assessed in accordance with Section 7.4).

(2) If the Board of Directors determines that certain Upkeep was necessitated by the negligence, misuse or misconduct of an Owner or for which an Owner is responsible pursuant to Section 12.1, the cost of such Upkeep shall be assessed against such Owner's Lot pursuant to Subsections 6.2(c) and 12.1(a). Further, the Board may determine that all or a part of the Upkeep of any portion of the Common Area designated as Reserved Common Area shall be performed by the Person having the exclusive right to use the same, at such Person's sole expense.

(c) Standards for Upkeep. The Board of Directors shall establish the standard for Upkeep of the Common Area in its sole discretion; provided, however, that the standard for Upkeep, at a minimum, shall be sufficient to meet the requirements of applicable law and governmental regulations. The Board of Directors may also determine to provide for the Upkeep of the medians and rights-of-way along dedicated streets and roadways to the extent not provided by the appropriate governmental agency.

(d) Storm Water Management. The Declarant shall construct the improvements and facilities for storm water management control. Such facilities shall not be used for any purposes other than storm water management. The Upkeep of all storm water management improvements and facilities (including, without limitation, all BMPs, ponds, streams, risers, pipes, wetlands, culverts, inlets, silt fencing, rip rap, and other erosion control devices) shall be an expense of the Association to the extent not maintained by a public authority. During the Declarant Control Period, the Declarant may, in its sole discretion, provide

Upkeep for the storm water management facilities at its expense. The Declarant and the Association shall have easements to enter upon any Lot to the extent necessary for Upkeep of such facilities.

(e) Entrance Features, Signs and Rights-of-Way. To the extent not provided by others, the Board of Directors may also determine to provide for the Upkeep of: (i) entrance features; (ii) sidewalks, Trails and paths; (iii) project, street, traffic and directional signage and accessories, including poles; (iv) bus shelters; (v) pedestrian crosswalks; (vi) street lights and accessories, including poles; (vii) mail box pavilions and trash collection and recycling facilities, (viii) center islands and road frontage; and (ix) landscaping and associated lighting and irrigation systems, (but excluding street pavement area within the public rights-of-way) both located within the Property and 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 permitted by the appropriate governmental authorities. The Board of Directors may place, pay for and/or provide Upkeep for off-site signage beneficial to the Owners. The Association shall have the right to exercise control over all signage pursuant to explicit guidelines contained in the Rules and Regulations, which guidelines shall balance the commercial interests of the separate Owners and the Property as a whole with the aesthetic atmosphere of the entire Property and which may contain uniform signage requirements.

(f) Other Services. To the extent determined to be reasonably necessary or desirable by the Board of Directors, the Association may provide recycling programs, water, transportation, cable or satellite television, telephony, internet or similar services to the Owners as a Common Expense.

(g) Shared Maintenance. The Board of Directors may enter into shared maintenance agreements to maintain areas whether or not located within the Property. Such areas may include without limitation storm water management or drainage easements and facilities, landscaping, irrigation, lighting, entrance features, trash collection and recycling facilities, drives, roads, entrance gates, signage, trails, sidewalks and areas along streets and roadways (including within public rights-of-way to the extent not maintained by the appropriate governmental authorities, excluding street pavement areas). The amounts charged the Association pursuant to such agreements shall be a Common Expense.

(h) Association Lot Upkeep. The Association shall provide all necessary Upkeep to the exterior of any structure on a Lot, shall cut the grass and maintain all original landscaping and irrigation systems, and maintain the lead sidewalk, driveway, driveway apron and utility laterals serving each Owner's Lot. By way of example and not limitation, such exterior maintenance shall include landscaping (except landscaping installed by the Owner), irrigation system, sidewalks, driveways and driveway aprons, porches, stoops, steps, railings, decks, roofing, gutters, downspouts, brick, siding, trim, paint, flashing and exterior surfaces of doors and windows, exterior glass and lighting, except for additional and alterations made by the Owner and damage caused by the Owner or deterioration resulting from the Owner's failure to timely notify the Association of a maintenance need or problem. Any costs incurred as a result of non-standard or Owner improvements or additions to a structure or Lot, costs incurred at an

Owner's request, or costs resulting from damage caused by the Owner or by Owner's failure to timely notify the Association of a maintenance need or problem shall be paid by such Owner.

Section 7.2. Upkeep by the Owners of Lots.

(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 trash removal, additional landscaping added by each Owner, and maintenance of each Owner's HVAC system, in accordance with local ordinances, except where performed by the Association and except as may be otherwise provided in this Declaration or in a Supplementary Declaration. Each Owner shall perform these responsibilities in such 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, or shall fail to promptly repair or restore any damage resulting from casualty or condemnation in accordance with Section 11.1, consistent with such Rules and Regulations as the Board of Directors may promulgate, then the Board 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 thirty (30) 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 shall have the right, but not the obligation, pursuant to Section 3.3 and Subsection 12.1(e) and any resolutions adopted by the Board of Directors, to rectify that condition by taking such action (or by causing such 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 in accordance with Subsection 6.2(c) and Section 12.1. The Owner shall reimburse the Association within thirty (30) days after delivery of a statement for such expenses from the Board.

(b) Assignment of Insurance Proceeds. Each Owner covenants and agrees, by acquisition of title to a Lot, that if any insurance proceeds are payable by reason of any event or circumstances causing a condition rectified by the Association pursuant to this Article, those proceeds are hereby assigned to the Association to the extent not assigned to the Mortgagee in the Mortgage. Each Owner shall, promptly upon request of any Director or Officer of the Association, sign such documents as may be necessary to effect or confirm such assignment. The amount thereof received by the Association shall be credited against the costs incurred by the Association in rectifying that condition and any amount in excess of those costs shall be returned by the Association to the Owner, subject to the rights of any Mortgagee having a lien upon such Owner's Lot.

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.

(a) Action of the Board. 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 excess of five percent (5%) in the aggregate of the total Annual Assessment for that fiscal year during any period of twelve (12) consecutive months, the making of such additions, alterations or improvements requires a Majority Vote of the Owners, and the Board of Directors shall pay the cost from existing funds or assess all Owners benefited for the cost thereof as a Common Expense. Any capital additions, alterations or improvements (other than for Upkeep) costing in the aggregate five (5%) percent or less of the total Annual Assessment for that fiscal year 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. Notwithstanding the foregoing, if the Board of Directors determines that such capital additions, alterations or improvements are exclusively or substantially exclusively for the benefit of specific Owners, such Owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportion as may be determined by the Board of Directors.

(b) Permits. Each Owner shall cooperate with the Association in obtaining any governmental approvals or permits as may be necessary for the Association to alter, improve, reconstruct or repair all or any portion of the Common Area which may be located on such Owner's Lot, either as approved above or as required for Upkeep. If requested by the Board of Directors, each Owner shall name or appoint the Association as agent for such Owner to apply for and secure such approvals or permits with respect to such Common Area in the Association's name.

(c) Liens. Within thirty (30) days after the filing thereof, each Owner shall, either by payment of bond or otherwise, cause any mechanic's, materialmen's or other lien affecting any portion of the Common Area located within such Owner's Lot and arising by reason of any work or materials ordered by the Owner or any action taken by the Owner to be discharged of record.

Section 7.5. Additions, Alterations or Improvements by the Owners. Any addition, alteration or improvement by an Owner shall be subject to Section 9.3.

Section 7.6. Restriction on Further Subdivision. No Lot shall be further subdivided or separated into smaller Lots by any Owner during the Development Period, except with the approval of the Declarant. Any open space parcel shall be conveyed to the Association or otherwise conveyed as approved by the Declarant during the Development Period. The Declarant may approve other subdivisions in its sole discretion. The Board of Directors shall also be informed of any resubdivision. This provision shall not require the approval of the Declarant or the Board of Directors for deeds of correction, deeds to resolve boundary line disputes and similar corrective instruments. No portion of any such Lot, nor any easement or other interest therein, except easements for utilities, stormwater drainage and management, street dedications and other easements or dedications to any utility or public authority, shall be

conveyed or transferred by an Owner without the approval of the Declarant, during the Development Period, or the Board of Directors, thereafter.

Section 7.7. Parking and Private Street Access.

(a) Right to Use Parking Areas and Private Streets. Owners and others occupying a Home are required to park their vehicles on their Lot, either within the garage, if applicable, or on their driveway, and not in the Common Area. Each of the parking spaces located on the Common Area (other than on Limited Common Area or Reserved Common Area), if any, shall be available for the use of the guests and invitees of the Declarant, the Association or the Owners. Such use shall be subject to Subsection 7.7(b) and such reasonable Rules and Regulations regulating the same as the Board of Directors may adopt. The Association will not unreasonably interfere with the right of any Owner, or such Owner's tenant or such Owner's (or tenant's) household or invitees to use the Private Streets and Roadways on the Common Area for both vehicular and pedestrian ingress and egress to and from such Owner's Lot; provided, however, that portions of the Common Areas and Private Streets and Roadways may be blocked from time to time to facilitate construction during the Development Period. Unless otherwise specifically designated in this Declaration or any other agreement, the parking areas and driveways on each Owner's Lot are to be used solely by such Owner and such Owner's designees. During the Declarant Control Period, the Declarant shall have the right to install an additional parking space on any Lot in its sole discretion.

(b) Limitations. All parking spaces located in the Common Area shall be used by the guests and invitees of the Declarant, the Association, and the Owners for self-service parking purposes on a "first come, first served" basis, except as the Board of Directors may otherwise determine or as may be otherwise stated with respect to Additional Land in an amendment to this Declaration adding such Additional Land. The Board has the right to restrict the number of parking spaces located on the Common Area used by the guests and invitees of an Owner. If the Board of Directors assigns Common Area parking spaces, anyone assigned a handicap accessible parking space may be reassigned a different parking space to accommodate the needs of a handicapped occupant. During the Development Period, any number of parking spaces located on the Common Area may be restricted to the Declarant's or its designees' use for sales purposes.

Section 7.8. Disclaimer of Liability.

(a) Bailee. 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, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

(b) Operational. The Association shall not be liable for any failure of water supply or utility service or other services to be obtained by the Association or paid for as a

Common Expense, or for personal injury or property damage caused by the elements or by any Owner, or any other Person, or resulting 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 Assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Property by the Association, from any action taken by the Association to comply with any law, ordinance or with the order or directive of any governmental authority, from any interruption in utility service, or from any development or construction activities of the Declarant. 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.

ARTICLE 8

RESTRICTIONS ON USE OF LOTS AND COMMON AREA; RULES AND REGULATIONS

Section 8.1. Use of the Property.

(a) Permitted Uses. Except as otherwise provided in the Association Documents, each Lot and the Common Area may be occupied and used for any purposes permitted in the CUP Preliminary or Final Plan for which such Lot is zoned and designed and which are permissible under local zoning ordinances. No Lot or the Common Area shall be used for any other purpose without the prior written approval of the Board of Directors. The Board's approval of other uses may be conditioned or withheld at the Board's discretion. Each Owner shall comply with applicable zoning requirements, as amended from time to time. The Declarant and its successors, assigns and designees may use 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, model home, display or customer service purposes (such as a visitors' center) for both home sales and events, or for the settlement of sales of Lots. Further, the Declarant specifically reserves the right to operate construction offices, rental, brokerage and management offices, sales offices and model or display homes 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, exclusively, simultaneously or consecutively with respect to the Common Area and Lots owned or leased by the Declarant or such Persons.

Section 8.2. Restrictions on Use. The following restrictions on use shall apply to all Lots and the Common Area:

(a) No Unsafe Activities or 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 consent 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. No waste will be committed on the Common Area.

(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 ordinances 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.

(c) Harmful Discharges. There shall be no emissions of dust, sweepings, dirt, cinders, odors, gases or other substances into the atmosphere (other than from normal residential chimney emissions and development and construction activities), no production, storage or discharge of hazardous wastes on the Property or discharges of liquid, solid wastes or other harmful matter into the ground 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. No waste nor any substance or materials of any kind shall be discharged into any public sewer serving the Property or any part thereof in violation of any regulation of any public body having jurisdiction over such public sewer.

(d) Noise. No Person shall cause any unreasonably loud noise (except for security devices and development and construction activities) anywhere on the Property, nor shall any Person permit or engage in any activity, practice or behavior for the purpose of causing annoyance, discomfort or disturbance to any Person lawfully present on any portion of the Property. This provision shall not be construed to forbid any work involved in the construction or Upkeep of any portion of the Property so long as such work is undertaken and carried out (i) with the minimum reasonable practical disturbance to Persons occupying other portions of the Property; (ii) in such a way as does not violate the rights of any Person under other provisions of this Declaration; and (iii) in accordance with all applicable restrictions in the Rules and Regulations, the resolutions of the Board of Directors and the other provisions of this Declaration.

(e) Obstructions. No Person shall obstruct any of the Common Area or otherwise impede the rightful access of any other Person on any portion of the Property upon which such Person has the right to be, except for reasonable obstructions caused by development and construction activities. No Person shall place or cause or permit anything to be placed on or in any portion of the Common Area without the approval of the Board of Directors, except that Declarant may use portions of the Common Area for construction staging and storage during the

Development Period. Nothing shall be altered or constructed in or removed from the Common Area except with the prior written approval of the Board of Directors.

(f) Association Property; Employees. 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 without the prior written approval of the Board of Directors, and then only on a temporary basis. No Person shall engage or direct any employee of the Association on any private business of an Owner or otherwise direct, supervise or in any manner attempt to assert control over such employee during the hours such employee is employed by the Association, except the Association or the managing agent.

(g) Signs and Flags. Except for such signs, flags and banners as may be posted by the Declarant for promotional or marketing purposes or by the Association, no signs, flags or banners of any character shall be erected, posted or displayed in a location that is Visible from Neighboring Property unless in compliance with the Design Guidelines or with the prior written approval of the Covenants Committee. Notwithstanding the above, one (1) decorative flag per Home may be displayed from the front or rear porch area of the Home, which flag shall be mounted on an horizontal pole no more than six (6) feet in length, mounted from five (5) to seven (7) feet above grade, no larger than three (3) feet by four (4) feet, and approved as to design and content by the Covenants Committee.

(h) Trash. Trash storage and collection shall be in accordance with the 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. Trash containers shall not be permitted to remain in a location Visible from Neighboring Property except on days of trash collection and during hours set by the Rules and Regulations.

(i) 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 or private streets. 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 Upkeep 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. Except for hoses and the like which are reasonably necessary in connection with construction activities or normal landscape Upkeep, no water pipe, sewer pipe, gas pipe, drainage pipe, television or telephone cable, electric line or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground.

(j) Accessory Improvements. No structure of a temporary character, and no temporary trailer, tent, shack, barn, pen, kennel, run, stable or other temporary accessory building shall be erected, used or maintained on any Lot except in connection with construction

or marketing activities by the Declarant without the prior written approval of the Covenants Committee. All accessory buildings must be approved in writing by the Covenants Committee. 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. No basketball hoops, swings or other play equipment may be erected, placed or maintained on any Lot, except with the prior written approval of the Covenants Committee. All exterior windows, the sills of which are less than five (5) feet above floor level, shall have interior shutters, blinds or drapes installed. No sheets, blankets or window tinting shall be installed or hung over any exterior windows.

(k) Antennas. No exterior antenna, satellite dish or similar exterior improvement shall be maintained upon the Property without the prior written approval of the Covenants Committee; provided, however, that the Association shall not prevent access to telecommunications services in violation of applicable law. Exterior antennas, satellite dishes greater than one (1) meter (39 inches) in diameter, or amateur radio equipment generally will not be allowed upon the Property if it is Visible from Neighboring Property; provided, however, that: (i) an Owner may install an antenna permitted by the Association's antenna rules upon prior written approval by the Covenants Committee; (ii) the Covenants Committee may approve other antennas in the appropriate circumstances; and (iii) the Covenants Committee may establish additional or different guidelines for antennas as technology changes. Notwithstanding the foregoing, the Board of Directors may install and maintain antennas, satellite dishes and similar equipment on the Common Area to serve the Property.

(l) Fences. Except for any fence installed by the Declarant or the Association, no fence shall be installed except in compliance with the applicable Design Guidelines. No chain link fence shall be permitted on the Property; provided, however, that the Declarant or its designees may erect chain link fences adjoining the perimeter of the Property and for the temporary storage of building materials for the protection of building sites or storm water management ponds or for other construction or safety purposes.

(m) Vehicles. Except in connection with construction and development activities, no commercial vehicles over three thousand five hundred (3,500) pounds gross weight (vehicles on which commercial lettering or equipment is visible or which are larger than normally used for noncommercial purposes) taxicabs or trailers, campers, recreational vehicles, boats and other large vehicles, including grounds maintenance equipment, may be parked or used on any portion of the Property if it is Visible from Neighboring Property or another Lot or on any public right-of-way within or adjacent to the Property, unless expressly permitted by the Board of Directors and only in such parking areas or for such time periods (if any) as may be designated for such purpose. Except as may be modified by resolution of the Board of Directors, prohibited vehicles would include, without limitation, any vehicle: (1) with a load capacity in excess of one (1) ton, (2) oversized (higher than eight (8) feet, wider than eight (8) feet or longer than eighteen (18) feet), (3) with commercial license plates or (4) with commercial signage. Parking of all such vehicles and related equipment, other than on a temporary and non-recurring basis, shall be in garages or screened enclosures approved by the Covenants Committee 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 on the Lots. No junk or derelict vehicle or other

vehicle on which current registration plates and current county and state inspection permits are not displayed shall be kept upon any portion of the Property if it is Visible from Neighboring Property. Vehicle repairs and storage of vehicles are not permitted, except in accordance with the Rules and Regulations; provided, however, that washing of vehicles in a designated car-washing area and noncommercial repair of vehicles is permitted within enclosed structures as provided in the Rules and Regulations. All motor vehicles, including without limitation trail bikes, motorcycles, dune buggies and snowmobiles, shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on unpaved portions of Common Area, except construction vehicles operated pursuant to direction of the Declarant and vehicles authorized by the Board of Directors for Upkeep of the 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 twenty-four (24) hours from the time a notice of violation is placed on the vehicle. Any such vehicle may be towed immediately without notice if such vehicle is impeding traffic, creating a safety hazard or has been previously noticed for a similar violation. The Association shall not be liable to the owner of such vehicle for trespass, conversion or otherwise, nor 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 notice stating that it was properly posted shall be conclusive evidence of proper posting.

(n) Timesharing. 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.

(o) Garages. No garage on a Lot shall be converted to living space or altered or used for purposes which would prevent the use of the garage for the parking of the intended number of vehicles for which it was constructed without the prior written approval of the Covenants Committee.

(p) Proffer and Zoning Changes. No Person other than the Declarant shall make any request or application to any governmental or quasi-governmental authority having jurisdiction over the Property or an Owner's Lot, or over both, to change or alter the zoning, or to seek any other governmental or quasi-governmental approvals for the Property or any Additional Land, including any changes that reasonably could affect the zoning, densities or Development Plan for all or any portion of the Property, except with the consent of the Declarant or, after the Development Period, of the Association, to be granted or withheld in their respective sole discretion. Neither the Owners nor the Association or its directors, Officers and representatives shall oppose or object to any Preliminary or Final Plan amendment to the Stony Point CUP proposed by the Declarant or its Affiliates.

Section 8.3. Rules and Regulations.

(a) Adoption; Variances. 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, which may supplement, but may not be inconsistent with the provisions of the Association Documents. The Board of Directors may issue temporary or permanent exceptions or variances to any prohibitions expressed or implied by this Article, for good cause shown, in accordance with the procedures set forth in Subsection 9.1(d).

(b) Distribution. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Owner and to each occupant requesting the same. Changes to the Rules and Regulations shall be published prior to the time when the same shall become effective and copies thereof shall be provided to each Owner and to each occupant requesting the same.

(c) Scope. For the purposes of interpretation and enforcement of the Rules and Regulations, the Property shall be deemed to include the real estate immediately adjacent to the Property within the public rights-of-way or otherwise to the extent an Owner's or occupant's actions affect the appearance of or value of the Property. Rules and Regulations governing the actions of Owners or occupants on real estate adjacent to the Property shall be consistent with and reasonably necessary to the maintenance of a uniform quality of appearance and value of the Property.

(d) Limitation. The Rules and Regulations shall not unreasonably interfere with the use or enjoyment of the Lots or Common Area. Any Rules and Regulations adopted or amended after conveyance of a Lot to an Owner other than the Declarant may only be amended (except for corrections or minor wording changes) by a two-thirds vote of the total number of directors, following a hearing for which due notice has been provided to all Owners.

Section 8.4. Exclusions During Development Period. Notwithstanding any other provision of the Association Documents, neither the restrictions in this Article nor the Rules and Regulations shall apply to any otherwise lawful acts or omissions of the Declarant during the Development Period.

Section 8.5. Leasing and Resale of Lots.

(a) Leasing. No Lot or any portion thereof shall be used or occupied for transient or hotel purposes or in any event leased for an initial period of less than six months. No portion of any dwelling (other than the entire dwelling) shall be leased for any period; provided, however, that a reasonable number of roommates (not exceeding one (1) resident per bedroom) is permitted. No Owner shall lease a Lot other than on a written form of lease: (1) requiring the tenant to comply with the Association Documents; (2) providing that failure to comply constitutes a default under the lease; (3) permitting more than one (1) resident per bedroom; and (4) providing that after forty-five (45) days prior written notice to the Owner, the Board of Directors has the power to terminate the lease or to bring summary proceedings to evict the tenant in the name of the lessor in the event of a default by the tenant under the Association Documents or the lease.

(b) Resale.

(1) Reference to Declaration. The deed or instrument transferring title to any Lot shall contain a provision incorporating by reference the provisions of this Declaration, as well as any applicable Supplementary Declaration. Notwithstanding failure to include a reference to this Declaration in a deed or instrument transferring title to a Lot, the covenants, restrictions, easements, charges and liens set forth herein shall encumber the Lot as though reference thereto was set forth in such deed or instrument.

(2) Notification. The contract seller of a Lot shall notify the Board of Directors of the name of the contract purchaser and the scheduled date and place of settlement.

(3) Association Resale Disclosure. The Board of Directors 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. Resubdivision and Rezoning.

(a) Resubdivision. A Lot may be subdivided or altered so as to relocate the boundaries between such Lot and any adjoining Lot only with the prior written approval of the Declarant, during the Development Period, or the Board of Directors thereafter, and with any required approvals by the appropriate governmental authorities. This section is not intended to require the approval of the Declarant or the Board of Directors to leases, deeds of correction, deeds to resolve boundary line disputes or similar corrective instruments, or deeds granting any easement, right-of-way or license to any governmental or public entity, utility, the Association or the Declarant for any purpose.

(b) Rezoning. No Owner shall seek to rezone such Owner's Lot without the prior written approval of the Declarant during the Development Period and, thereafter, without the prior written approval of the Board of Directors. The Declarant reserves the right to seek to rezone or amend the zoning applicable to any portion of the Property or the Additional Land during the Development Period, without the joinder or approval of the Association or any other Owner, except the Owner of the real estate described in the application and directly affected by the amendment. To the extent the approval and consent of any other Owner is required under State or local law to apply for or obtain any rezoning or to make any subdivision submission, then each Owner appoints the Board of Directors of the Association as attorney-in-fact to sign such application on behalf of the Owner or, in the alternative, upon request each Owner agrees to sign the application or other documents required for such action; provided, however, that such joinder shall be without liability or cost to such Owner unless such liability or cost is expressly accepted by such Owner; and provided, further, that this covenant does not apply to any amendment which would materially, adversely affect an Owner's ability to use such Owner's Lot for its intended purposes.

ARTICLE 9

ARCHITECTURAL REVIEW

Section 9.1. Covenants Committee.

(a) Purpose and Membership. The Board of Directors shall establish a Covenants Committee, consisting of at least three (3) persons appointed by the Board, one (1) Owner from each class of Owners. The Covenants Committee may employ paid professional architects or design consultants when necessary. Each person shall serve for 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') 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.

(1) The Covenants Committee shall regulate the external design, signage, colors, appearance, use and Upkeep of the Property provided, however, that the Covenants Committee shall not have the power to regulate the activities of the Declarant on the Common Area or any Lot owned by the Declarant or construction on any Lot which has been approved by the Declarant during the Development Period; and provided, further, that the Covenants Committee shall not have the power to review initial construction on the Property, if such construction is reviewed by the Declarant.

(2) 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 Covenants Committee 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 the application.

(3) The Covenants Committee shall have the power pursuant to Subsection 12.1(h) (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) guests, employees, agents and invitees whose actions are inconsistent with the provisions of the Association Documents or the Rules and Regulations.

(4) 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.

(5) The Covenants Committee shall propose changes or additions to the Design Guidelines for approval by the Board of Directors, subject to the limitations in Subsection 9.2(a). Such Design Guidelines approved by the Board of Directors shall be hereby incorporated by this reference and shall be enforceable as if set forth herein in full; provided, however, that no amendments or additions thereto, or exceptions or waivers therefrom, are permitted during the Development Period without the prior written approval of the Declarant.

(6) Subject to Subsection 12.1(h), a Majority Vote of the Covenants Committee shall be required in order to take any action.

(7) The Covenants Committee shall have the right to inspect construction periodically. Any deviation from the approved drawings and specifications which materially changes the exterior appearance, quality or location of the improvement is a violation of the Association Documents. This section shall in no way affect any requirement for inspection by any governmental entity.

(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 Covenants 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 in accordance with Subsection 12.1 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. Notwithstanding the foregoing, neither the Covenants Committee nor the Board of Directors shall have authority to regulate new construction or alterations of existing improvements by the Declarant or by others as approved by the Declarant or approved by the Initial Construction Committee during the Development Period.

(d) Time for Response; Variances or Exceptions. The Covenants Committee shall act on all matters properly before it within forty-five (45) days after its receipt of a 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 answer any written request for approval of a proposed structural addition, alteration or improvement within fifteen (15) 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 a consent by the Board of Directors to the proposed structural addition, alteration or improvement; provided, however, that neither the Board of Directors nor the 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 that enforcement of such guidelines would impose an unfair burden on such Owner or is otherwise not in the best interests of the Association and stating the variance or exception and the reasons therefor in a written instrument which shall be part of the records of the Association.

(e) Standards for Enforcement. In performing its duties to accomplish its purpose as set forth in subsection (a), the Covenants Committee shall: foster harmonious relations between Owners, occupants and third parties, encourage direct communication between disputants, balance the need for enforcement against the economic, social and community effects of such enforcement in each individual case, evaluate the materiality of any claimed breach, consider community standards and treat all Owners and occupants fairly and equally. At the request of any party, the decision of the Covenants Committee on any matter shall contain a finding as to whether the decision preserves or protects property values and/or sustains or enhances the quality of life in the community.

(f) Determination of Violations. The Covenants Committee shall establish a policy for the consideration of violations of the Association Documents, Rules and Regulations, Design Guidelines and other provisions which the Covenants Committee is empowered to enforce. Such policy shall provide whether the Covenants Committee will proactively seek out certain violations or reactively respond to complaints filed by the Owners and occupants. The Covenants Committee shall direct the managing agent as to the specific extent of the managing agent's enforcement duties (in accordance with the management agreement).

Section 9.2. Subcommittees of the Covenants Committee; Architectural Review During the Development Period. The Board of Directors or the Declarant, as appropriate, may appoint members to various specialized Covenants Committees. Such Committees may include an Initial Construction Committee and a Modifications and Rules Enforcement Committee. Each of the Covenants Committees may in its discretion establish additional subcommittees to carry out its functions. During the Development Period, the architectural review may be performed by the Declarant.

(a) Initial Construction. The Declarant may appoint individuals to the Initial Construction Committee during the Development Period, such individuals to serve for terms designated by the Declarant. If the Declarant does not appoint an Initial Construction Committee, then the Declarant may perform the functions of the Initial Construction Committee. After the Development Period, the Initial Construction Committee shall cease to exist. If initial construction on the Property occurs after the Initial Construction Committee ceases to exist, then such construction will be reviewed by the Covenants Committee. The Initial Construction Committee may adopt Design Guidelines for the Property and review and approve or disapprove the plans for the initial construction of any structure 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 plan, non-structural improvements and general appearance, in order to ensure the quality and compatibility of style of all the improvements to be located on the Property. Such Design Guidelines for new construction, as the same may be amended by the Declarant during the Development Period from time to time, shall be hereby incorporated herein by this reference and shall be enforceable as if set forth herein in full.

(b) Modifications and Rules Enforcement. The Board of Directors shall appoint the members of the Modifications and Rules of Enforcement Committee. The Committee shall consist of four (4) persons, each of whom shall be Owners or representatives of

Owners of Lots. The appointees to the Modifications and Rules of Enforcement Committee shall serve for terms of one (1) to three (3) years as determined by the Board of Directors. In addition to reviewing alterations and modifications to improvements on Lots, the Committee shall review possible violations of the Rules and Regulations, recommend appropriate enforcement action and act as the judicial arm of the Association as set forth in Subsection 12.1 with respect to Lots.

Section 9.3 Additions, Alterations and Improvements Requiring Approval.

(a) Approval Required.

(1) No Person shall make any addition, alteration, improvement or change of grade in or to any Lot (other than for normal Upkeep or natural landscaping and not including areas within a Building Envelope visible from the exterior only because of the transparency of glass doors, walls or windows) which is visible from the exterior of the Lot, without the prior written approval of the Covenants Committee or appropriate subcommittees thereof. No Person shall make any addition, alteration or improvement to any Common Area or the common elements of any Subassociation (other than for normal Upkeep or natural landscaping and not including areas within a Building Envelope visible from the exterior of the Lot), without the written consent of the Covenants Committee or appropriate subcommittee thereof. No Person shall paint, affix a sign not permitted by the Rules and Regulations to or alter the exterior of any improvement, including the doors and windows, if such exterior is visible from another Lot or the Common Area, 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. The Owner shall deliver all approvals and permits required by law to the Declarant, the Covenants Committee or Board of Directors, as appropriate, prior to the commencement of the construction requiring such approval or permit. Any addition, alteration or improvement upon any Lot in violation of the Association Documents shall be removed or altered to conform to the Association Documents (including the Design Guidelines) at the expense of the Owner thereof within thirty (30) days after notice of the violation from the Board of Directors.

(2) During the Development Period, the provisions of this section shall not apply to Lots owned by the Declarant or to new construction or alteration of existing improvements on any Lot if such construction or alteration has been approved by the Declarant. The Declarant or an Owner, if approved by the Declarant, shall have the right to construct improvements, make alterations or subdivisions without the approval of the Board of Directors or the Covenants Committee and an authorized Officer shall sign any application required therefor.

(3) 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 affixing a sign or taking 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, comply with the Rules and Regulations and are not detrimental to the value of the Property.

(b) Limitations.

(1) Any Person obtaining approval of the Covenants Committee shall commence construction or alteration in accordance with plans and specifications approved within six (6) months after the date of approval and shall substantially complete any construction or alteration within eighteen (18) months after the date of approval, or within such other periods as are specified in the approval during which to commence or complete construction. If any such Person does not commence or complete work (as the case may be) within the time period specified, the approval shall lapse.

(2) Any Person obtaining approval of the Covenants Committee shall not deviate materially from the plans and specifications approved without the prior written consent 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 alterations in accordance with plans and specifications approved in accordance with this Article, the Covenants Committee shall, at the request of the Owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction or alteration referenced in such certificate has been approved. 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.

ARTICLE 10

INSURANCESection 10.1. General Provisions.

(a) Authority, Liability and Notice. The Board of Directors shall have the power and responsibility on behalf of the Association to (1) purchase insurance policies relating to the Common Area, (2) adjust all claims arising under such policies and (3) 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, the managing agent 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 so available only at demonstrably unreasonable cost; or (iii) if the Association's insurance professionals advise that the coverages required by paragraph (2) of Subsection 10.2(b) 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 with its authorized representative. The Board of Directors shall promptly notify the Owners and Mortgagees of material adverse modifications, lapses or termination of, insurance coverages obtained on behalf of the Association.

(b) Policy Requirements.

(1) All policies of insurance shall be written by reputable companies licensed or qualified to do business in Virginia.

(2) The deductible or self-insured retention (if any) on any insurance policy purchased by the Board of Directors shall be a Common Expense; provided, however, that the Association may, pursuant to Subsections 6.2(c) and 12.1(a), assess any deductible amount necessitated by the misuse or neglect of an Owner or such Owner's tenant or such Owner's (or tenant's) household, or guests, agents or invitees against the Lot owned by such Owner.

(3) The Declarant, so long as the Declarant shall own any Lot, shall be protected by all such policies as an Owner.

(4) Each such policy shall provide that:

(i) The insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Board of Directors, the managing agent, any Owner and the Owner's household guests, tenants, agents and invitees;

(ii) Such policy shall not be cancelled, invalidated or suspended due to the conduct of any Owner, or such Owner's tenant or such Owner's (or tenant's) household guests, employees, agents and invitees, or of any Officer or employee of the Board of Directors or the managing agent without a prior demand in writing that the Board or the managing agent cure the defect and neither shall have so cured such defect within thirty (30) days after such demand;

(iii) Such policy may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the Board of Directors and the managing agent;

(iv) The Association is the "First Named Insured" under such policy.

Section 10.2. Property Insurance.

(a) Coverage. The Board of Directors shall obtain and maintain a property insurance policy written on a Special Covered Causes of Loss Form, including without limitation fire damage, vandalism, malicious mischief, sprinkler leakage (if applicable), cost of demolition, debris removal, and water damage coverage, insuring any improvements located on the Common Area, together with all air conditioning and heating equipment and other service machinery

contained therein and covering the interests of the Association, in an amount equal to one hundred percent (100%) of the then current full insurable replacement cost of any improvements located on the Common Area (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined periodically by the Board with the assistance of the insurance company affording such coverage). 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.

(b) Waivers and Endorsements. Each such policy shall also provide:

(1) a waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made not to do so;

(2) the following endorsements (or equivalent): (A) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any Owner or occupant or their agents when such act or neglect is not within the control of the insured or the Owners collectively, nor by any failure of the insured or the Owners collectively, to comply with any warranty or condition with regard to any portion of the Property over which the insured, the members or the Owners collectively have no control); (B) ordinance/law coverage for (i) the "cost of demolition" of the undamaged portion of the Property, (ii) "contingent liability from operation of building laws or codes"; and (iii) "increased cost of construction"; (C) "replacement cost" or "guaranteed replacement cost"; (D) "inflation guard"; and (E) "agreed amount" or "elimination of co-insurance" clause;

(3) that any "no other insurance" clause expressly exclude individual Owners' policies from its operation so that the property damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Owners or Mortgagees, unless otherwise required by law;

(4) such deductibles and self-insured retentions as to loss as the Board of Directors in its sole discretion deems prudent and economical; and

(5) to the extent a policy covers a dwelling located on any Lot, the standard mortgagee clause.

(c) Certificates. Certificates of property insurance coverage signed by an agent of the insurer, all renewals thereof, and any sub-policies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee requesting the same, at least ten (10) days prior to expiration of the then current policy.

(d) Notice to Mortgagees. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to improvements located on the Common Area in excess of ten percent (10%) of the then current replacement cost of such

improvements. The Mortgagee of any Lot insured by the Association shall be notified promptly of any event giving rise to a claim under such policy arising from damage to improvements located on such Lot.

Section 10.3. Liability Insurance. The Board of Directors shall obtain and maintain liability insurance in such limits as the Board may from time to time determine, insuring the Association, each director and officer, 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 tenants and such Owner's (or tenant's) household guests, agents and invitees arising out of, or incident to the ownership or care, custody, control and use of the Common Area or any facilities located in the public right-of-way. Such insurance shall be issued on a commercial general liability basis and shall contain: (1) 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; (2) hired and non-owned vehicle coverage. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than One Million Dollars (\$1,000,000.00) covering all claims for bodily injury, property damage, personal injury and advertising injury. This coverage, or a separate policy, shall also contain protection for the Association if it operates a website or conducts business using the website, email or similar means. 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 (\$2,000,000.00).

Section 10.4. Other Insurance. The Board of Directors shall obtain and maintain:

(a) Fidelity. Adequate fidelity insurance 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. If the Association has delegated some or all of the responsibility for handling funds to a managing agent, such managing agent shall be covered by its own fidelity insurance. Such fidelity insurance (except for fidelity insurance obtained by the managing agent for its own personnel) shall: (i) name the Association as the insured; (ii) be written in an amount not less than One Hundred Thousand Dollars (\$100,000.00) or the amount required by the Mortgagees, FNMA or FHLMC, whichever is greatest; (iii) contain waivers of any defense based upon the exclusion of Persons who serve without compensation from any definition of "employee" or similar expression; and (iv) may provide that the managing agent is an insured under the policy;

(b) Flood Insurance. If required by a majority of the Mortgagees or governmental regulations, flood insurance in accordance with the then applicable regulations for such coverage;

(c) Workers' Compensation. Workers' compensation and employers liability insurance if and to the extent necessary to meet the requirements of law (including a voluntary employees endorsement and an "all states" endorsement);

(d) Directors and Officers Liability Insurance. Directors and officers liability insurance in an amount not less than One Million Dollars (\$1,000,000.00) including coverage

for the Association, directors, officers, committee members and employees. The policy may also provide that the managing agent is an insured under the policy except with respect to claims that the managing agent may file against the Association or that the Association may file against the managing agent. Such coverage, to the extent available, shall include non-monetary damages, breach of contract, fair housing disputes and allegations of wrongful purchase of the insurance program in form, content or amount; and

(e) Other. Such other insurance: (i) as the Board of Directors may determine; or (ii) as may be required with respect to the Additional Land by any amendment to this Declaration adding such Additional Land; or (iii) as may be requested from time to time by a Majority Vote of the Owners. Such insurance may include, without limitation: (i) business income and extra expense; (ii) employee benefits; (iii) employment practices liability; (iv) auto (owned); (v) medical payments protection; and (vi) electronic data processing (EDP) coverage.

Section 10.5. Insurance on Lots.

(a) Insurance Restriction. No Person shall acquire or maintain insurance coverage on the Common Area insured by the Association so as to: (i) decrease the amount which the Board of Directors may realize under any insurance policy maintained by the Board; or (ii) cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by such Person. No Person shall obtain separate insurance policies on the Common Area.

(b) Required Coverage. (1) Due to the shared walls between the improvements located on some of the Lots, Each Owner of a Lot containing an attached structure shall obtain personal liability insurance in a minimum amount of One Million Dollars (\$1,000,000.00) and property insurance on a Special Covered Causes of Loss Form (or its equivalent) in an amount equal to one hundred percent (100%) of the then current insurable replacement cost of any improvements located on such Owner's Lot. Such personal insurance shall also include coverage for "loss assessment" that may be levied by the Association against the Owner (including loss assessment for common area insurance deductibles and retentions).

(c) Board Authority. If the Board of Directors so requests, the Owner of a Lot shall provide a certificate of insurance to the Board fifteen (15) days prior to the expiration of such insurance. Due to the shared walls between the improvements located on the Lots and the improvements located on the Common Areas, the insurance required to be obtained by each Owner pursuant to this section shall include coverage for damage to the adjacent Common Area which occurs as a result of a casualty originating within the Lot. The Association shall be named as an additional named insured as its interests may appear. Any policy obtained shall provide that it may not be cancelled except upon ten (10) days written notice to the Association. If an Owner fails to obtain the insurance coverage required by this Article, the Board of Directors may purchase such insurance coverage on such Owner's behalf and assess the Lot owned by such Owner for the cost thereof. The Declarant, the Association and the Board of Directors shall not be held liable for the failure of any Owner to purchase insurance or for not purchasing such insurance on the Owner's behalf.

ARTICLE 11

RECONSTRUCTION AND REPAIRSection 11.1. When Reconstruction or Repair Required.

(a) Common Area. Except as otherwise provided in Section 11.4, if all or any part of any improvement located on the Common Area is damaged or destroyed by fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration thereof. The Association shall not use the proceeds of casualty insurance received as a result of damage or destruction of improvements located on the Common Area for purposes other than the repair, replacement or reconstruction of such improvements except in accordance with Sections 11.4 and 15.4.

(b) Lots. 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: (i) in the case of a detached structure, commenced within six (6) months after the casualty and substantially completed within eighteen (18) months after the casualty or (ii) in the case of an attached structure, commenced within three (3) months after the casualty and substantially completed within nine (9) months after the casualty. If the building or other major improvements will look substantially the same as before the casualty and will comply with the Design Guidelines, no prior approval of the Covenants Committee shall be required.

Section 11.2. Procedure for Reconstruction and Repair of Common Area.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to any portion of any improvement located on the Common Area, the Board of Directors shall obtain reliable and detailed estimates of the cost of restoring and repairing such improvement (including without limitation any floor coverings, fixtures and appliances) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the original construction of any improvement located on the Common Area, subject to any modifications required by changes in applicable governmental regulations, and using contemporary building materials and technology to the extent feasible; provided, however, that other action may be taken if approved in accordance with Section 15.4.

Section 11.3. Disbursement of Construction Funds for Common Area.

(a) Construction Fund and Disbursement. The proceeds of insurance collected on account of a casualty and the sums received by the Board of Directors from the collection of Assessments against the Owners pursuant to Subsection 11.3(b) or any Owner

pursuant to Subsections 6.2(c) or 12.1(a), shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner.

(1) If the estimated cost of reconstruction and repair is less than five percent (5%) of the total annual Assessment for Common Expenses for that fiscal year, then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors.

(2) If the estimated cost of reconstruction and repair is five percent (5%) or more of the total annual Assessment for Common Expenses for that fiscal year, then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in the jurisdiction where the Property is located and employed by the Board of Directors to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other Persons who have rendered services or furnished materials in connection with the work stating that: (i) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and materials furnished; (ii) there is no other outstanding indebtedness known to such architect for the services and materials described; and (iii) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested. The Board of Directors shall be entitled to rely on such certificate.

(b) Shortfalls. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement funds or shall be deemed a Common Expense, and an assessment therefor shall be levied subject to Section 6.2.

(c) Surplus. The first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds. If, after payment of the costs of all reconstruction and repair, and the refund of any excess payments made by Owners pursuant to Subsection 11.3(b) in proportion to their contributions or the refund of excess payments by any Owner pursuant to Subsection 12.1(a), there remains any surplus fund, such fund shall be paid to the Association and shall be placed in the appropriate reserve account.

Section 11.4. When Reconstruction and Repair of Common Area Not Required. If destruction of the improvements located on the Common Area is insubstantial, the Board of Directors may elect not to repair such insubstantial damage. Otherwise, any decision not to repair or restore improvements on the Common Area shall be made in accordance with Section 15.4. If damaged improvements are not repaired, then the Board of Directors shall remove all remnants of the damaged improvements and restore the site thereof to an acceptable condition compatible with the remainder of the Common Area and the balance of any insurance proceeds received on account of such damage shall be placed in the appropriate reserve account.

ARTICLE 12

COMPLIANCE AND DEFAULT

Section 12.1. Compliance and Enforcement. Each Owner and Subassociation shall be governed by, and shall comply with, all of the terms of the Association Documents and the Rules and Regulations as they may be amended from time to time. For the purpose of determining an Owner's liability under this Article for the violation of any provision of the Association Documents, the Rules and Regulations or for an act of neglect or carelessness, the acts of such Owner's tenants, and such Owner's (or tenant's) household guests, agents, or invitees shall be deemed to be acts of the Owner. A default by an Owner shall entitle the Association, acting through its Board of Directors or through the managing agent, to the relief set forth in this section.

(a) Additional Liability. Each Owner shall be liable to the Association or to any affected Owner for the expense of all Upkeep rendered necessary by such Owner's act or omission regardless of negligence or culpability but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in casualty insurance rates occasioned by use, neglect, 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 or the Rules and Regulations by any Owner, or for which any Owner is deemed responsible hereunder, may be assessed against such Owner's Lot.

(b) Costs and Attorney's Fees. In any proceedings arising out of any alleged default by an Owner, 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.

(c) 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 or the Rules and Regulations shall not constitute a waiver of the right of the Association, the Board or Owner 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 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.

(d) 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 the lesser of the maximum permissible interest rate which may be charged by a Mortgagee under a Mortgage at such time or eighteen percent (18%) per annum may be imposed in the discretion of the Board of Directors on the principal amount unpaid from the date due until paid; provided, however, that if

the Board of Directors does not impose interest, the Board shall set forth its reasons for not charging such interest in a written record of its decision. 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.

(e) Abating and Enjoining Violations. The violation of any of the Rules and Regulations adopted by the Board of Directors or the breach of any provision of the Association Documents shall give the Board of Directors the right, in addition to any other rights set forth in the Association Documents or the Rules and Regulations: (1) to enter the portion of the Property on which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Association Documents or the Rules and Regulations, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; (2) to use self-help to remove or cure any violation of the Association Documents or the Rules and Regulations on the Property (including without limitation the towing of vehicles); or (3) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; provided, however, that (1) reasonable notice must be provided before entering any improvement and (2) before any construction may be altered or demolished (except in emergencies) judicial proceedings shall be instituted.

(f) Suspension of Rights; Other Remedies.

(1) The Board of Directors or the Covenants Committee, as appropriate, shall have the power to suspend an Owner's voting rights pursuant to Subsection 3.2(d) of the Bylaws.

(2) The Board of Directors or the Covenants Committee, as appropriate, shall also have the power to suspend the right of an Owner or occupant, and the right of such Person's household guests, tenants, agents and invitees, to use the Common Area for a reasonable period not to exceed sixty (60) days for any violation of any provision of any of the Association Documents or the Rules and Regulations or for any period during which any assessment against an Owner's Lot remains unpaid; provided, however, that the Association shall not suspend the right to use the Private Streets and Roadways located on the Common Area for both vehicular and pedestrian ingress and egress to and from such Owner's Lot and for parking or to use the Common Area for necessary, ordinary and reasonable pedestrian ingress and egress to and from such Owner's Lot, or to suspend any easement over the Common Area for utilities (storm water drainage, electricity, water, sanitary sewer, natural gas) or telecommunications.

(3) If a utility service is paid for as a Common Expense and an Owner does not pay the Assessment for such 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; provided, however, that such suspension shall not endanger the health, safety or property of any Owner or occupant.

To the extent not prohibited by the POA Act or other law, the Board of Directors or Covenants Committee may impose the foregoing sanctions for non-payment of Assessments without giving the Person charged with the violation notice and an opportunity for a hearing.

(g) Charges. The Board of Directors shall have the power to impose charges in the case of an Owner found by the Board or Committee to be responsible for a violation of the Association Documents or the Rules and Regulations. No such penalty shall be imposed until the Person charged with such a violation has been given notice and an opportunity for a hearing as set forth in paragraph (i) below. Charges may not exceed Five Hundred Dollars (\$500.00) for each violation or Fifty Dollars (\$50.00) per day for each violation of a continuing nature. No charge may be imposed for failure to pay an assessment except as otherwise provided in the Declaration. Charges are Individual Assessments and shall be collectible as such and, if against an Owner, shall also constitute a lien against a Lot in accordance with Section 12.2 to the extent permissible under the law of the jurisdiction in which the Property is located. Imposition of a charge does not preclude the liability of an Owner for reimbursement to the Association of costs incurred by the Association.

(h) Due Process. The Board of Directors or the Covenants Committee may deliberate privately, but shall either announce its decision in the presence of the respondent or give the respondent notice thereof. A decision adverse to the respondent shall require a majority vote of the entire membership of the Board or Committee. The Board Committee, before imposing any charge or before taking any action affecting one or more specific Owners, shall afford such Owners the following basic due process rights.

(1) Notice. The respondent shall be afforded prior written notice of any action (except when an emergency requires immediate action) and, if notice is of default or violation, an opportunity to cure which is reasonable under the circumstances, prior to the imposition of any sanction. The notice shall also state that the respondent is entitled to a hearing, if a hearing is required pursuant to Subsection 12.1(h). Notice of a hearing shall include a summary of the charges or other sanctions that may be imposed as a result of the alleged violation. Notice of any violation or any hearing shall be sent by registered or certified United States mail, return receipt requested (or in any other manner permitted by law), to the Owner at such Owner's address of record with the Association at least fourteen (14) days prior to such hearing or as may otherwise be required by the POA Act.

(2) Hearing. If the respondent is entitled to a hearing and requests in writing a hearing before any charge is imposed or action taken, then the imposition of the charge or the taking of the action shall be suspended until the respondent has an opportunity to be heard at a hearing at which the Board of Directors or discusses such charge or action. Each Person so appearing shall have the right to be represented by such Person's counsel, at such Person's own expense. The hearing result shall be hand-delivered or sent by registered or certified mail, return receipt requested (or in any other manner permitted by law), to the Owner at the Owner's address of record with the Association within three (3) days after the hearing.

(3) Appeal. Upon receipt of a written request therefor made within ten (10) days after the date of an action by the Covenants Committee, the Board of Directors may

afford any Person deemed by the Board to have standing as an aggrieved party the right to appeal to the Board, and the Board may reconsider, review, modify or reverse any action taken by the Covenants Committee.

(4) Fairness. The Board of Directors and the Covenants Committee shall treat all Persons equitably, based upon decision-making procedures, standards and guidelines which shall be applied to all Persons consistently.

(i) Privacy and Quiet Enjoyment. The Board of Directors, the Covenants Committee and the Association shall not interfere with the lifestyle or conduct of, or invade the privacy of, any Owner or occupant within a Building Envelope unless necessary to protect the rights of another Owner or occupant or to protect adjacent Property from damage.

Section 12.2. Lien for Assessments.

(a) Lien. In addition to the lien established by the POA Act, the total Annual Assessment of each Owner for Common Expenses, including any Additional Assessment, any Individual Assessment or any other sum duly levied (including without limitation charges, interest, late charges, contractual charges, etc.), made pursuant to the Association Documents, is hereby declared to be a lien levied against any Lot owned by any Owner in accordance with this Declaration and Section 55-516 of the POA Act. 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, on the first day of the next payment period which begins more than ten (10) days after the date of notice to the Owner of such Additional Assessment, Individual 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. 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 a default by such Owner in the timely payment of any two (2) 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 a prior fiscal year, 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 the jurisdiction in which the Lot is located for foreclosure of mortgages or deeds of trust containing a power of sale. Any such sale provided for herein is to be conducted in accordance with the provisions of Section 55-516I of the POA Act, Sections 55-59.1 through 55-59.4 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 laws of the jurisdiction. The Association shall also 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.

(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.

Section 12.3. Subordination and Mortgagee Protection. Notwithstanding any other provision hereof to the contrary, the lien of any Assessment levied pursuant to the Association Documents upon any Lot (and any charges, interest on Assessments, late charges or the like) shall be subordinate to, and shall in no way affect the rights of the holder of a Mortgage made in good faith for value received; provided, however, that such subordination shall apply only to Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to foreclosure or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the holder of a Mortgage or the purchaser of the Lot at such sale from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment, which lien shall have the same effect and be enforced in the same manner as provided herein. Notwithstanding any other provision of this Declaration, to the extent specifically permitted by Virginia statute in the future, the Association's lien shall prime a Mortgage to the extent of six (6)-months worth of Assessments which would have become due (based on the budget adopted by the Association) in the absence of acceleration during the six (6) months immediately preceding perfection of the lien.

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 holder of the Mortgage. No holder of a Mortgage shall be entitled to any Mortgagee rights under the Association Documents unless such holder of a Mortgage 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 certified or registered 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 to whom or office to which notices from the Association should be directed. The Mortgagee shall be responsible for keeping such information current. The Board of Directors shall notify Mortgagees of the following:

(a) Any default by an Owner of a Lot upon which the Mortgagee has a Mortgage (i) in paying Assessments (which remains uncured for sixty (60) consecutive days) or (ii) any other default, simultaneously with the notice sent to the defaulting Owner (failure to notify the Mortgagee shall not affect the validity of the Association's lien);

(b) In accordance with Subsection 10.2(d), any event giving rise to a claim under the Association's property insurance policy arising from damage to improvements located on the Property;

(c) All actions taken by the Association with respect to reconstruction of the Common Area or a Lot upon which the Mortgagee has a Mortgage;

(d) Any termination, lapse or material adverse modification in an insurance policy held by the Association at least ten (10) days in advance;

(e) Any taking in condemnation or by eminent domain of the Common Area and the actions of the Association in connection therewith;

(f) Any proposal to terminate this Declaration or dissolve the Association, at least sixty (60) days before any action is taken to terminate or dissolve in accordance with Articles 15 and 16; and

(g) Any proposal to amend materially the Articles of Incorporation, this Declaration or the Bylaws or to take an extraordinary action, at least ten (10) days before any action is taken pursuant to Section 15.4.

Section 13.3. Other Rights of Mortgagees. Upon request, all Mortgagees or their authorized representatives shall have the right to receive notice of and to attend and speak at meetings of the Association. All Mortgagees shall have the right to examine the Association Documents, Rules and Regulations and books and records of the Association and to require the submission of existing annual financial reports and other budgetary information on the same terms as the Owners. A Majority of the Mortgagees may request and shall be entitled to an audited financial statement for the preceding fiscal year of the Association prepared at the Association's expense and provided within a reasonable time. A Majority of the Mortgagees shall have the right to require the Association to hire a professional manager.

ARTICLE 14

CONDEMNATION

Section 14.1. Definition. For the purposes of this Article, "Taking" means an acquisition of all or any part of the Common Area or of any interest therein or right accruing thereto as a result of in lieu of or in anticipation of the exercise of the right of condemnation or eminent domain, or a change of grade caused by the action of a governmental entity affecting the value of the Common Area or any part thereof so severely as to amount to condemnation.

Section 14.2. Taking of Common Area. If there is a Taking of all or any part of the Common Area, then the Association shall notify the Owners, but the Board of Directors shall act on behalf of the Association in connection therewith and no Owner shall have any right to participate in the proceedings incident thereto. The award made for such Taking shall be payable to the Association, to be disbursed as follows. If the Taking involves a portion of the Common Area on which improvements have been constructed, then the Association shall restore or replace such improvements so taken on another portion of the Common Area, to the extent space is available therefor, in accordance with plans approved by the Board of Directors, unless within sixty (60) days after such Taking the Declarant (during the Declarant Control Period) or the Owners by a sixty-seven percent (67%) vote (after the Declarant Control Period) shall otherwise agree. The provisions of Article 11 regarding the disbursement of funds following damage or destruction shall apply.

ARTICLE 15

AMENDMENT; EXTRAORDINARY ACTIONS

Section 15.1. Amendment by the Declarant. In addition to corrective amendments made pursuant to Section 15.5, during the Development Period, the Declarant may unilaterally without the approval of any Owner or Mortgagee amend any provision of this Declaration to: (1) satisfy the requirements of any government, governmental agency or Mortgagee; (2) reflect the relocation of boundary lines between the Common Area and any Lots or among any Lots; provided, however, that such relocation does not materially and adversely affect any Owner other than the Declarant and that such relocation is reflected in an approved resubdivision of all or any part of the Property; and (3) amend Exhibit A and Exhibit B (pursuant to Subsection 4.1(b)); and (4) add all or any portion of the Additional Land in accordance with Section 4.1. Each Owner, for such Owner and such Owner's successors and assigns, by acquisition of title to all or any portion of the Property irrevocably appoints the Declarant during the Development Period as attorney-in-fact to carry out the rights granted to the Declarant pursuant to this Section 15.1 and 15.5 and subject to the limitations set forth below; provided, however, that any action taken as attorney-in-fact shall not materially, adversely affect any Owner's use and development of the Lot owned by such Owner. The Declarant shall act as such attorney-in-fact only in furtherance of its development of the Property, it being recognized that this grant of a power of attorney is required because the Declarant may not own the real estate to be subjected to the rights granted hereunder.

Section 15.2. Amendment by the Association.

(a) Owner Approval. In addition to corrective amendments made pursuant to Section 15.6, and subject to Sections 15.3, 15.4 and 15.5, the Association may amend this Declaration (not including a Supplementary Declaration) only with the written approval of Owners entitled to cast at least sixty-seven percent (67%) of the total number of votes.

(b) Certification. An amendment by the Association 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. In accordance with Section 55-515.1E of the POA Act, an action to challenge the validity of an amendment may not be brought more than one (1) year after the amendment is effective.

(c) Supplementary Declarations. Amendment of a Supplementary Declaration is governed by the provisions for amendment contained therein and the requirements of Section 15.4. A Supplementary Declaration may not include provisions inconsistent with the Declaration except as specifically provided by the Declarant in accordance with Section 4.1. Although the Declaration and Supplementary Declaration should be construed to give effect to both, in the case of conflicting provisions, the Declaration shall control.

Section 15.3. Prerequisites to Amendment. Written notice of any proposed amendment by the Association shall be sent to every Owner at least fifteen (15) days before any action is taken. No amendment shall increase the financial obligations of an Owner in a discriminatory manner or further restrict development on existing Lots in a discriminatory manner. During the Development Period, no amendment to the Declaration shall diminish or impair the rights of the Declarant under the Declaration without the prior written consent of the Declarant. No amendment to the Declaration shall diminish or impair the express rights of the Mortgagees under the Declaration without the prior written approval of at least Fifty-one Percent of the Mortgagees. No amendment may modify this Article or the rights of any Person hereunder without obtaining the approvals required by Subsections 15.4(c) and (f). Except as specifically provided in the Declaration, no provision of the Declaration shall be construed to grant to any Owner or to any other Person any priority over any rights of Mortgagees.

Section 15.4. Extraordinary Actions and Material Amendments. The provisions of this section shall not be construed to reduce the vote that must be obtained from Owners where a greater vote is required by the Act or other provisions of the Association Documents nor shall it be construed to lessen the unilateral rights given to the Declarant pursuant to Articles 3, 4 and 15 to amend the Declaration without the approval or joinder of the Association or any Owner or Mortgagee or Secondary Mortgage Market Agency.

(a) Material Amendments. A material amendment to the Association Documents includes any amendment adding, deleting or amending any provisions regarding:

- (1) Assessment basis or Assessment liens;

- against Owners;
- (2) any method of imposing or determining any charges to be levied
 - (3) reserves for Upkeep of the Common Area;
 - (4) Upkeep obligations;
 - (5) allocation of rights to use the Common Area;
 - (6) any scheme of regulation or enforcement of standards for Upkeep, architectural design or exterior appearance of improvements;
 - (7) reduction of insurance requirements;
 - (8) restoration or repair of the Common Area or Lots;
 - (9) the addition, annexation or withdrawal of real estate to or from the Property;
 - (10) voting rights (except to reduce the Declarant's voting rights with the consent of the Declarant);
 - (11) restrictions affecting lease or sale of a Lot; and
 - (12) any provision which is for the express benefit of the Mortgagees.

(b) Extraordinary Actions. An extraordinary action of the Association includes:

- (1) determining not to require professional management after the Declarant Control Period, if professional management has been required by the Association Documents, a Majority Vote of the Owners or a Majority Vote (or approval) of the Mortgagees;
- (2) expanding the Association (i) so as to increase the overall area of the Property described in Exhibit A by greater than ten percent (10%) or increase the number of planned dwellings by greater than ten percent (10%) or (ii) by including real estate which is not adjacent to or across a public right-of-way or private street from the Property;
- (3) abandoning, partitioning, encumbering, mortgaging, conveying, selling or otherwise transferring or relocating the boundaries of the Common Area except for:
 - (i) granting easements for utilities or other purposes to serve the Property or adjacent real estate which are not inconsistent with and which do not interfere with the intended use of such Common Area;

(ii) dedicating or conveying a portion of the Common Area to a public authority or a governmental entity;

(iii) making conveyances or resubdivisions as part of a boundary-line adjustment or otherwise pursuant to Section 2.4; and

(4) using insurance proceeds for purposes other than repair and reconstruction of the insured improvements; and

(5) making capital improvements (other than for Upkeep of existing Common Area improvements) during any period of twelve (12) consecutive months costing in excess of five percent (5%) in the aggregate of the total Annual Assessment for Common Expenses for the fiscal year.

(c) Owner Approval. Any material amendment or extraordinary action listed above must be approved: (i) in writing by Owners entitled to cast at least sixty-seven percent (67%) of the total number of votes entitled to be cast by Owners, including a majority of the votes entitled to be cast by Owners other than the Declarant during the Declarant Control Period; or (ii) by at least a sixty-seven percent (67%) vote of the Owners, including a Majority Vote of Owners other than the Declarant during the Declarant Control Period, entitled to be cast at a meeting for approval of material amendments or extraordinary actions provided that: (A) at least twenty-five (25) days notice of the meeting is provided to all Owners; (B) the notice of the meeting states the purpose of the meeting and contains a copy or summary of any material amendments or extraordinary actions proposed; and (C) the notice of the meeting also contains a copy of the proxy that can be cast in lieu of attendance at the meeting.

(d) Class Approval. Any material amendment which changes the rights of any specific class of Owners, must also be approved in writing by Owners entitled to cast at least fifty-one percent (51%) of the total number of votes of such class of Owners or by at least a fifty-one percent (51%) vote of such class of Owners at a meeting held in accordance with subsection (c).

(e) Additional Material Amendments and Extraordinary Actions. The following amendments and actions must be approved in writing by Owners entitled to cast at least sixty-seven percent (67%) of the total number of votes in the Association, including a majority of the total number of votes entitled to be cast by Owners other than the Declarant during the Declarant Control Period, and the Declarant during the Development Period:

(1) amendment or addition of any provisions of the Association Documents regarding rights of first refusal or similar restrictions on the right of Owners to sell, transfer or otherwise convey a unit;

(2) termination of the Declaration or of the Stony Point CUP with respect to the Property;

(3) dissolving, merging or consolidating the Association, except pursuant to a merger or consolidation with another nonprofit entity formed for purposes similar to the purposes for which the Association was formed; or

(4) conveyance of all the Common Area, except to an entity formed for similar purposes pursuant to a consolidation or a merger.

(f) Mortgagee Approvals. Any material amendment or extraordinary action listed in subsections (a), (b) and (e) except paragraph (5) of subsection (b) must also be approved by Fifty-one Percent of the Mortgagees. If a Mortgagee is notified of proposed amendments or actions of the Association in writing by certified or registered United States mail, return receipt requested (or by any other means accepted as good delivery of notice under applicable law), and such Mortgagee does not deliver a negative response within thirty (30) days (or such other period as may be provided in the POA Act), such Mortgagee shall be deemed for the purposes of this Declaration to have approved such amendment or action. Approval by a Mortgagee also includes the issuance of any written waiver or letter stating "no objection."

(g) Non-material Amendments. Any amendment to the Association Documents shall not be considered material if made only for the purposes of correcting technical errors or for clarification. Any amendment to the Association Documents adding provisions to or interpreting the application of provisions of the Declaration, contained in a Supplementary Declaration and applied to a specific portion of the Property, shall not be considered a material amendment.

(h) VA or FHA Consent. When a VA guarantee is in effect on a Mortgage, without the consent of VA, or when FHA insurance is in effect on a Mortgage (and the Association has been notified thereof in accordance with the requirements of Section 13.2), without the consent of FHA: (i) the Declarant may not amend the description of Additional Land except as provided in Section 4.1; and (ii) during the Declarant Control Period, the Association may not take any action described in Section 15.4(a), (b) or (e); the foregoing shall only apply for so long as a Lot within the Property is encumbered by a loan guaranteed by VA or insured by FHA. In addition, during the Declarant Control Period, VA and FHA must be informed of all amendments to the Association Documents if such documents have been previously approved by such agency and the Association has been notified of a Mortgage insured by VA or FHA in accordance with the requirements of Section 13.2. This provision may be enforced only by FHA or VA.

(i) Contracts made by the Association during the Declarant Control Period. All Association contracts made during the Declarant Control Period which extend beyond the Declarant Control Period must meet at least one of the following criteria: (i) be for a term limited to two (2) years or less; (ii) be terminable by the Association upon ninety (90) days written notice; (iii) be commercially reasonable and made with an entity not affiliated with the Declarant; or (iv) be approved by VA.

Section 15.5. Corrective Amendments. The Declarant may unilaterally sign and record a corrective amendment or supplement to the Declaration to correct a mathematical mistake, an

inconsistency or a scrivener's error, or clarify an ambiguity in the Declaration with respect to an objectively verifiable fact (including without limitation recalculating the liability for Assessments or the number of votes in the association appertaining to a Lot), within five (5) years after the recordation of the Declaration containing or creating such mistake, inconsistency, error or ambiguity. Regardless of the date of recordation of the Declaration, the president of the Association may also unilaterally sign and record such a corrective amendment or supplement upon a vote of two-thirds (2/3rds) of the members of the Board of Directors.

ARTICLE 16

TERMINATION

Section 16.1. 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. Subject to Sections 15.4, the Association may terminate this Declaration only by: (i) a vote of the Owners entitled to cast at least eighty percent (80%) of the total number of votes; (ii) with the written approval of Owners entitled to cast at least eighty percent (80%) of the total number of votes; or (iii) with the written approval of Owners of three-fourths (3/4ths) of the Lots. The termination shall not be effective until 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 16.2. Prerequisites. Written notice of the proposed termination shall be sent to every Owner and Mortgagee at least sixty (60) days before any action is taken. The Declaration may not be terminated during the Declarant Control 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 16.3. Transfers 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 government agency devoted to purposes similar to those for which the Association was created.

ARTICLE 17

PARTY WALLS AND FENCES

Section 17.1. Applicable Law; Easement. All matters arising in connection with any wall which would constitute a party wall at common law shall, to the extent consistent with the

provisions of this Article, be subject to the common law of the jurisdiction in which the Property is located, as modified by statute from time to time and as modified by this Article. If the centerline of a party wall now or hereafter fails to coincide with the boundary between the Lots it serves, an easement for any resulting encroachment is hereby granted.

Section 17.2. Upkeep. The Owners of Lots served by a party wall shall provide for the Upkeep of party walls and shall share equally the cost of its Upkeep except as otherwise provided in this Article. No Owner shall impair the structural integrity of any party wall nor diminish the fire protection afforded by any party wall.

Section 17.3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, the following procedures shall be followed in order to restore such party wall.

(a) Either Owner served by the party wall shall notify the other Owner served by the party wall of any proposal to repair the wall. If within ten (10) days after such notice (or in an emergency, within twenty-four (24) hours after such notice or a bona fide attempt to give such notice) the other Owner has not responded to the notice, then the Owner giving notice may proceed with the repairs. Such repairs must be substantially similar to the original construction and installation and of first class quality, but may be made with contemporary materials.

(b) If the other Owner served by the party wall responds to the notice, the Owners shall act together to repair the party wall. If the Owners are unable to agree upon the action to be taken, they shall submit the issue to arbitration in accordance with Section 17.8.

(c) If any Owner restores a party wall in accordance with this section, then the other Owner shall contribute one-half (1/2) of the cost thereof. An Owner may, however, demand a larger contribution from the other Owner or refuse to contribute one-half (1/2) of such costs, under any rule of law or equity regarding liability for negligent or willful acts or omissions.

(d) To the extent that any failure to repair a party wall affects the use and enjoyment of the Common Area, the Association may participate in the repair of the party wall and, in an emergency situation threatening life or property, may make such repair without notice to the Owners. The Association may assess the cost of such repair against the Owners responsible for the damage or benefiting from the repair pursuant to Subsections 6.2(c) and 12.1(a).

Section 17.4. Liability. Any Owner who by a negligent or willful act or omission causes or permits a party wall to be damaged shall pay the cost of restoring such party wall to its condition prior to such damage.

Section 17.5. Shared Fences and Other Shared Barriers. The provisions of this Article pertaining to party walls shall also govern any shared fence, landscaping, barrier or shared improvement installed by an Owner and to any replacement thereof authorized by the Board of Directors or the Covenants Committee.

Section 17.6. Right to Contribution Runs With Land. Rights and duties of contribution set forth in this Article and any such rights and duties arising under the laws of the jurisdiction in which the Property is located shall run with the land and bind successors in interest. This Article shall not prejudice any right of a successor in interest to recover any amount from a predecessor in title for which such predecessor was liable. Any rights of contribution set forth in this Article shall constitute a lien in favor of any Owner entitled to contribution against any Owner obligated to pay such contribution. 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. The lien created by this section shall be prior to all liens and encumbrances except Mortgages, real estate taxes and other charges levied by governmental authority made superior by law and the Association's lien established pursuant to Section 12.2.

Section 17.7. Townhouse Maintenance Easement. If an Owner (including the Declarant) of any Lot must, in order to make repairs or improvements to a building on such Owner's Lot, enter or cross any area owned or to be owned by the Association, or a Lot of another Owner, such Owner is hereby granted an easement to do so, providing that the Owner shall use the most direct, feasible route in entering and crossing over such an area and shall restore the surface so entered or crossed to its original condition, at the expense of the Owner, and further provided that such easement shall not exist on the real estate of any other Owner if the purpose for the entrance or crossing is one requiring approval of either the Board of Directors or the Covenants Committee of the Association, unless such approval has been given.

Section 17.8. Arbitration. In the event of any dispute between Owners concerning a party wall, the Owners on each side shall each select one (1) arbitrator, and the arbitrators thus selected shall select one (1) additional arbitrator. Arbitrators shall be qualified by experience and education to serve. Once selected, the arbitrators shall promptly agree upon and notify the parties of the discovery procedures and rules of evidence to be used in the arbitration. The arbitrators shall be requested to reach a decision within twenty (20) days after their appointment. The decision of a majority of the arbitrators shall bind the Owners and their successors in interest. The cost of arbitration shall be paid by the losing party unless the arbitrators determine that the cost should be otherwise allocated between the parties, in which case that allocation shall be binding. No suit or other judicial action shall be filed or pursued by the Association unless sixty-seven percent (67%) of the Owners approve such action at a regularly scheduled meeting of the Association, except for such an action brought to enforce the terms of this Declaration against an individual Owner of a Lot.

[Signatures appear on following page.]

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.

CG STONY POINT TOWNHOMES, LLC, a Virginia limited liability company

By: CPSPT, LLC, manager

By: *Steven A. Middleton*
Steven A. Middleton, Manager

Commonwealth OF Virginia)
City OF Richmond) SS:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Steven A. Middleton, as manager of CPSPT, LLC, a Virginia limited liability company, which limited liability company is the manager of CG STONY POINT TOWNHOMES, LLC, a Virginia limited liability company, whose name is signed to the foregoing instrument, has acknowledged the same before me in the aforesaid jurisdiction as his act and deed as a duly authorized officer of the company, on behalf of the company.

GIVEN under my hand and seal on December 1, 2006.

Kristi Rollins [SEAL]
Notary Public

My commission expires: August 31, 2009

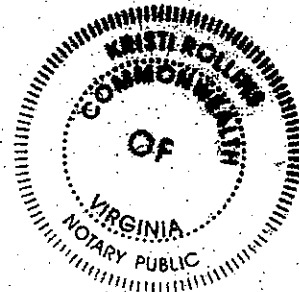


EXHIBIT A

Legal Description of "Creeks Edge At Stony Point Town Homes, Section 1".

Commencing at a point on the west line of Stony Point Parkway, said point being 2283± feet from the intersection of Chippenham Parkway, and Stony Point Parkway, thence S47°52'17"W 110.18 feet along the southern line of a variable width ingress/egress easement to a point, thence S57°58'36"W 171.84 feet to a point, thence S71°53'58"W 65.58 feet to a point, thence along a curve to the right with a radius of 418.00 feet, a length of 71.42 feet, a chord bearing and chord distance of S76°47'39"W 71.33 feet to a point, said point being the point of beginning.

Thence departing said ingress/egress easement and point of beginning, along a curve to the right with a radius of 418.00 feet, a length of 61.32 feet, a chord bearing and chord distance of S85°53'29"W 61.26 feet to a point, thence along a curve to the left with a radius of 232.00 feet, a length of 10.52 feet, a chord bearing and chord distance of S88°47'28"W 10.52 feet to a point, thence S87°29'32"W 145.58 feet to a point, thence along a curve to the right with a radius of 268.00 feet, a length of 14.32 feet a chord bearing and chord distance of S89°01'22"W 14.32 feet to a point, thence N89°26'47"W 13.36 feet to a point, thence along a curve to the left with a radius of 24.00 feet, a length of 38.90 feet a chord bearing and chord distance of S44°07'09"W 34.78 feet to a point, thence S2°18'54"E 221.57 feet to a point, thence N89°26'47"W 263.17 feet to a point, thence along a curve to the right with a radius of 152.00 feet, a length of 151.34 feet, and a chord of N60°55'21"W 145.17 feet to a point, thence along a curve to the right with a radius of 630.69 feet, a length of 92.25 feet, a chord bearing and chord distance of N28°12'29"W 92.17 feet to a point, thence N61°21'45"E 82.75 feet to a point, thence along a curve to the left with a radius of 54.00 feet a length of 57.31 feet, a chord bearing and chord distance of N30°57'30"E 54.66 feet to a point, thence N00°33'13"E 66.75 feet to a point, thence along a curve to the left with a radius of 49.00 feet, a length of 77.01 feet a chord bearing and chord distance of N44°28'10"W 69.32 feet to a point, thence N00°30'27"E 54.12 feet to a point, thence S89°26'47"E 360.71 feet to a point, thence

S10°24'49"E 107.53 feet to a point, thence along a curve to the left with a radius of 24.00 feet, a length of 33.11 feet, a chord bearing and chord distance of S49°55'48"E 30.54 feet to a point, thence S89°26'47"E 5.76 feet to a point, thence along a curve to the left with a radius of 232.00 feet, a length of 12.40 feet, a chord bearing and chord distance of N89°01'22"E 12.39 feet to a point, thence N87°29'32"E 145.58 feet to a point, thence along a curve to the right with a radius of 268.00 feet, a length of 12.15 feet, a chord bearing and chord distance of N88°47'28"E 12.15 feet to a point, thence along a curve to the left with a radius of 382.00 feet, a length of 49.88 feet a chord bearing and chord distance of N86°21'11"E 49.85 feet to a point on the western line of a variable width ingress/egress easement, thence, along and following said western line of a variable width ingress/egress easement, S18°00'02"E 36.57 feet to a point said point being the point of beginning.

Containing 3.597 acres of land.

And being the same property shown on that certain plat of subdivision (the "Plat") prepared by Balzer and Associates, Inc., dated October 13, 2006, entitled "Creeks Edge at Stony Point Townhomes, Section 1". The Plat is recorded among the land records of the Circuit Court for the City of Richmond, Virginia simultaneously herewith.

EXHIBIT B

Description of 32.8± acres at Stony Point

Commencing at a point on the west line of Stony Point Parkway, said point being 2283± feet from the intersection of Chippenham Parkway, and Stony Point Parkway, thence S47°52'17"W 110.18 feet along the southern line of a variable width ingress/egress easement to a point, thence S57°58'36"W 171.84 feet to a point, thence S71°53'58"W 65.58 feet to a point, thence along a curve to the right with a radius of 418.00 feet, a length of 71.42 feet, a chord bearing and chord distance of S76°47'39"W 71.33 feet to a point, said point being the point of beginning.

Thence departing said ingress/egress easement and point of beginning S18°00'02"E 17.14 feet to a point; thence S11°50'35"W 174.99 feet to a point; thence S10°21'02"E 213.13 feet to a point; thence S40°57'39"W 120.91 feet to a point; thence S47°46'46"W 104.44 feet to a point; thence N57°15'09"W 190.84 feet to a point; thence N54°46'15"W 10.11 feet to a point; thence S17°44'38"W 14.53 feet to a point on the northern line of Bittersweet Road; thence along the northern line of Bittersweet Road S57°49'38"W 75.78 feet to a point on the western line of Bittersweet Road; thence along the western line of Bittersweet Road S17°37'33"W 152.03 feet to a point; thence departing the western line of Bittersweet Road N72°22'27"W 128.48 feet to a point; thence N72°10'56"W 33.41 feet to a point; thence N44°32'17"W 436.14 feet to a point; thence N20°45'20"W 390.11 feet to a point; thence N05°39'47"W 664.28 feet to a point; thence N86°28'15"E 41.38 feet to a point; thence N08°00'15"E 426.61 feet to a point on the southern line of Apache Road; thence along eastern line of Apache Road N43°25'10"E 66.00 feet to a point; thence along the northern line of Apache Road N46°34'50"W 154.52 feet to a point; thence departing Apache Road along a curve to the right with a radius of 20.00 feet, a length of 31.42 feet, chord bearing and chord distance of N01°34'50"W 28.28 feet to a point on the eastern line of Cheyenne Road; thence along said eastern line of Cheyenne Road N43°25'10"E 127.00 feet to a point; thence along a curve to the left with a radius of 403.40 feet a length of 163± feet to the center line of

Cherokee Creek; thence departing the Eastern line of Cheyenne Road, and running along the center line of Cherokee Creek in a south easterly direction 866± feet to a point; thence departing the center line of Cherokee Creek S07°06'55"W 84± feet to a point; thence S82°53'05"E 577.93 feet to a point on the western line of Stony Point Parkway; thence along the western line of Stony Point Parkway along a curve to the left with a radius of 286.00 feet, a length of 24.80 feet, chord bearing and chord distance of S26°03'46"W 24.79 feet to a point; thence continuing along the western line of Stony Point Parkway, along a curve to the left with a radius of 403.40 feet, a length of 79.46 feet, chord bearing and chord distance of S22°09'01"W 79.29 feet to a point; thence departing the western line of Stony Point Parkway N82°53'04"W 282.09 feet to a point; thence S07°06'56"W 35.19 feet to a point; thence S36°43'14"E 156.80 feet to a point; thence S08°19'36"E 219.98 feet to a point; thence S03°07'52"W 216.38 feet to a point; thence S18°00'02"E 224.40 feet to a point on the northern line of a variable with ingress/egress easement; thence departing said variable width ingress/egress easement along a curve to the right with a radius of 382.00 feet, a length of 49.88 feet a chord bearing and chord distance of S86°21'11"W 49.85 feet to a point; thence along a curve to the left with a radius of 268.00 feet, a length of 12.15 feet, a chord bearing and chord distance of S88°47'28"W 12.15 feet to a point; thence S87°29'32"W 145.58 feet to a point; thence along a curve to the right with a radius of 232.00 feet, a length of 12.40 feet, a chord bearing and chord distance of S89°01'22"W 12.39 feet to a point; thence N89°26'47"W 5.76 feet to a point; thence along a curve to the right with a radius of 24.00 feet, a length of 33.11 feet, a chord bearing and chord distance of N49°55'48"W 30.54 feet to a point; thence N10°24'49"W 107.53 feet to a point; thence N89°26'47"W 360.71 feet to a point; thence S00°30'27"W 54.12 feet to a point; thence along a curve to the right with a radius of 49.00 feet, a length of 77.01 feet a chord bearing and chord distance of S44°28'10"E 69.32 feet to a point; thence S00°33'13"W 66.75 feet to a point; thence along a curve to the right with a radius of 54.00 feet a length of 57.31 feet, a chord bearing and chord distance of S30°57'30"W 54.66 feet to a point; thence S61°21'45"W 82.75 feet to a point; thence along a curve to the left with a radius of 630.69 feet, a length of 92.25 feet, a chord bearing and chord distance of S28°12'29"E 92.17 feet to a point; thence along a curve to the left with a radius of 152.00 feet, a length of 151.34 feet a chord bearing and

chord distance of S60°55'21"E 145.17 feet to a point; thence S89°26'47"E 263.17 feet to a point; thence N2°18'54"W 221.57 feet to a point; thence along a curve to the right with a radius of 24.00 feet; a length of 38.90 feet a chord bearing and chord distance of N44°07'09"E 34.78 feet to a point; thence S89°26'47"E 13.36 feet to a point; thence along a curve to the left with a radius of 268.00 feet, a length of 14.32 feet a chord bearing and chord distance of N89°01'22"E 14.32 feet to a point; thence N87°29'32"E 145.58 feet to a point; thence along a curve to the right with a radius of 232.00 feet, a length of 10.52 feet, a chord bearing and chord distance of N88°47'28"E 10.52 feet to a point; thence along a curve to the left with a radius of 418.00 feet, a length of 61.32 feet, a chord bearing and chord distance of N85°53'29"E 61.26 feet to a point on the southern line of a variable width ingress/egress easement, said point being the point of beginning and containing 32.8± acres.

And being the same property shown as Parcel 1, containing 36.367 acres on that certain plat entitled "LOT LINE ADJUSTMENT PLAT SHOWING TWO PARCELS OF LAND CONTAINING 62.645 ACRES OF LAND LYING SOUTH AND WEST OF STONY POINT PARKWAY, CITY OF RICHMOND, VIRGINIA", recorded in the Clerk's Office of the Circuit Court of the City of Richmond, Virginia with Instrument Number 04-0044121, less and except the property described on Exhibit A to this Declaration.

EXHIBIT C

PLAT

Plat of Creek's Edge at Stony Point Town Homes Section 1, City of Richmond, Virginia, Date: October 13, 2006; prepared by Balzer and Associates, Inc.; Mark B. Beale, Commonwealth of Virginia Land Surveyor No. 1613; being Sheet 1 or 2 and Sheet 2 of 2; recorded December 1st, 2006 in the Clerk's Office of the Circuit Court of the City of Richmond, Virginia, simultaneously herewith.

COMMONWEALTH OF VIRGINIA



OFFICIAL RECEIPT
CITY OF RICHMOND CIRCUIT COURT
DEED RECEIPT

DATE: 01/25/12 TIME: 12:30:11 ACCOUNT: 750CLR120001511 RECEIPT: 12000002764
CASHIER: JRD REG: 6N59 TYPE: DEC PAYMENT: FULL PAYMENT
INSTRUMENT : 120001511 BOOK: PAGE: RECORDED: 01/25/12 AT 12:27
GRANTOR: C & STONY POINT TOWNHOMES LLC EX: N LOC: CI
GRANTEE: VISTA RESIDENTIAL LLC EX: N PCT: 100%

AND ADDRESS :
RECEIVED OF : CASH
CASH: \$30.00

DESCRIPTION 1: FIRST SUPPLEMENTAL PAGES: 0 OF 0
2: CREEKS EDGE AT STONY POINT TOWNHOMES NAMES: 0
CONSIDERATION: .00 A/VAL: .00 MAP: 00010491014+
PIN:

301 DEEDS	14.50	145	VELF	1.50
106 TECHNOLOGY TRST FND	5.00	313	FEES - COPIES	3.50

TENDERED : 30.00
AMOUNT PAID: 24.50
CHANGE AMT : 5.50

CLERK OF COURT: BEVILL M. DEAN

Prepared By:

Brian R. Marron, Esquire
 Spotts Fain PC
 411 East Franklin Street, Suite 600
 Richmond, Virginia 23219

12 1511

TAX MAP # C001-0491/014 & C001-0793/026 in part

FIRST SUPPLEMENTAL DECLARATION FOR**CREEK'S EDGE AT STONY POINT TOWN HOMES**

THIS FIRST SUPPLEMENTAL DECLARATION FOR CREEK'S EDGE AT STONY POINT TOWN HOMES ("First Supplemental Declaration") is made this 24th day of January, 2012, by **CG STONY POINT TOWNHOMES, LLC**, a Virginia limited liability company (the "Declarant") (**index as Grantor**), **VISTA RESIDENTIAL, LLC**, a Virginia limited liability company (the "Vista") (**index as Grantor**), for the benefit of **CREEK'S EDGE AT STONY POINT TOWN HOMES HOMEOWNERS ASSOCIATION**, a Virginia non-stock corporation (**index as Grantee**) recites and provides:

RECITALS

1. The Declarant created certain restrictions for a subdivision known as "Creek's Edge at Stony Point Town Homes" (the "Subdivision") known as the Declaration for Creek's Edge at Stony Point Town Homes (the "Declaration") which were recorded in the Clerk's Office, Circuit Court, City of Richmond, Virginia ("Clerk's Office") as Instrument Number 060041498 (as amended and supplemented from time to time).
2. Pursuant to the Declaration, the Declarant or its assigns reserved the right to add additional real estate designated therein as Additional Land to the provisions of the Declaration and to grant additional common areas thereon to Creek's Edge at Stony Point Town Homes

Adv 12:27

Homeowners Association, a Virginia non-stock corporation (the "Association"), in connection with the development of the Subdivision and the expansion by the Declarant.

3. The Declarant intended to supplement the Declaration by adding that portion of the Additional Land described as Lots 1 through 33, Section 2, Creek's Edge at Stony Point Town Homes, as shown on a plat entitled "Plat of Creek's Edge at Stony Point Town Homes, Section 2, City of Richmond, Virginia" dated June 3, 2011 and recorded in the Clerk's Office as Instrument Number 110010748 ("Section 2 Plat") prior to any conveyance of Section 2.

4. The Declarant conveyed a certain portion of the Additional Land to Vista by deed recorded July 6, 2011 recorded in the Clerk's Office as Instrument Number 110011660 and Vista conveyed Lot 4, Section to Kelly V. Hillsman by Deed recorded December 21, 2011 in the Clerk's Office as Instrument Number 110021765. Vista desires to submit the property owned by Vista in Section 2 to the Declaration.

5. In accordance with the provisions of the Declaration, the Declarant reserved the option to expand the Property subject to the Declaration without the consent of any Owner or Mortgagee (except the holder of a deed of trust on the real estate to be submitted) by filing a Supplementary Declaration.

6. Devon Commercial Construction LLC is the holder of a deed of trust on the real estate to be submitted. Devon Commercial Construction LLC joins in this Supplemental Declaration to evidence its consent and subordination to the terms of the Declaration.

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the Declarant hereby amends and supplements the Declaration as follows.

SUPPLEMENTAL DECLARATION

1. Vista hereby joins with the Declarant in submitting those portions of property owned by Vista in Section 2, Creek's Edge at Stony Point Town Homes as shown on the Section 2 Plat to the Declaration.

2. The Additional Land owned by the Declarant described on the Section 2 Plat is hereby submitted to the terms, covenants and provisions of the Declaration.

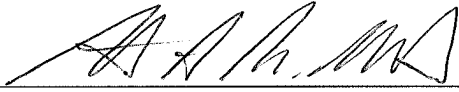
3. Devon Commercial Construction LLC ("Beneficiary"), of a certain Credit Line Deed of Trust dated July 1, 2011, recorded July 6, 2011 in the Clerk's Office, Circuit Court, City of Richmond, Virginia as Instrument Number 110011661 which encumbers a portion of the property hereby submitted to the Declaration joins in this Supplemental Declaration to evidence its consent and subordination of the lien of such Deed of Trust to the Declaration, as supplemented. Peter L. Henderer and Scott C. Ford, Trustees under the aforesaid Deed of Trust, either of whom may act, join in the execution of this Supplemental Declaration on behalf of the Beneficiary.

5. Except as supplemented hereby, the Declaration remains in full force and effect.

[Signatures on the following pages.]

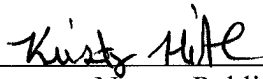
WITNESS the following signatures:

CG STONY POINT TOWN HOMES, LLC
a Virginia limited liability company

By: 
Steven A. Middleton, Manager

STATE OF VIRGINIA
CITY/COUNTY OF Richmond, to wit:

The foregoing instrument was acknowledged before me this 24 day of January, 2012, by Steven A. Middleton, the Manager of CG Stony Point Town Homes, LLC, a Virginia limited liability company, on behalf of the company.


Notary Public

My Commission Expires: January 31, 2014
Registration No.: 7370305

KRISTY HITE
NOTARY PUBLIC
REG. #7370305
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES JAN. 31, 2014

VISTA RESIDENTIAL, LLC
a Virginia limited liability company

By: *Steven A. Middleton*
Steven A. Middleton, Manager

STATE OF VIRGINIA
CITY/COUNTY OF Richmond, to wit:

The foregoing instrument was acknowledged before me this 24 day of January, 2012, by Steven A. Middleton, the Manager of Vista Residential, LLC, a Virginia limited liability company, on behalf of the company.

Kristy Hite
Notary Public

My Commission Expires: January, 31, 2014
Registration No.: 7370305



CONSENT

The undersigned, beneficiary of under a Credit Line Deed of Trust dated July 1, 2011, recorded July 6, 2011 in the Clerk's Office, Circuit Court, City of Richmond, Virginia as Instrument Number 110011661, hereby consents and subordinates the aforesaid Deed of Trust to the Declaration.

**DEVON COMMERCIAL
CONSTRUCTION LLC**, a Virginia
limited liability company

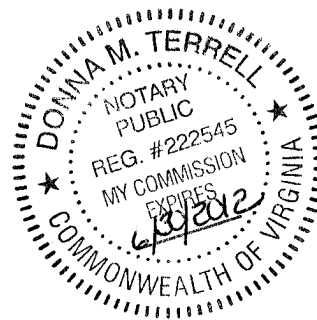
By: Edward Mitchell
Name: EDWARD MITCHELL
Title: MANAGER

STATE OF VIRGINIA
CITY/COUNTY OF Richmond, to wit:

The foregoing instrument was acknowledged before me this 24th day of JANUARY, 2012, by Edward D. Mitchell the Manager of Devon Commercial Construction LLC, a Virginia limited liability company, on behalf of the company.

Donna M. Terrell
Notary Public

My Commission Expires: 6/30/2012
Registration No.: 222545



CONSENT

The undersigned, trustee under a Credit Line Deed of Trust dated July 1, 2011, recorded July 6, 2011 in the Clerk's Office, Circuit Court, City of Richmond, Virginia as Instrument Number 110011661, hereby consents to the Declaration.

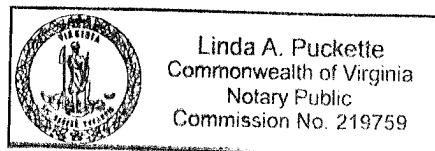
Peter L. Henderson
Peter L. Henderson, Trustee

STATE OF VIRGINIA
COUNTY/CITY OF Richmond, to wit:

The foregoing instrument was acknowledged before me this 24th day of JANUARY, 2012, by PETER L HENDERSON, Trustee.

Linda A. Puckette
Notary Public

My Commission Expires: 3/31/12
Registration No.: 219759



INSTRUMENT #120001511
RECORDED IN THE CLERK'S OFFICE OF
CITY OF RICHMOND ON
JANUARY 25, 2012 AT 12:27PM

COMMONWEALTH OF VIRGINIA



OFFICIAL RECEIPT
CITY OF RICHMOND CIRCUIT COURT
DEED RECEIPT

DATE: 04/26/12 TIME: 09:51:50 ACCOUNT: 760CLR120007749 RECEIPT: 12000015176
CASHIER: VEB REG: RN59 TYPE: DEC PAYMENT: FULL PAYMENT
INSTRUMENT : 120007749 BOOK: PAGE: RECORDED: 04/26/12 AT 09:47
GRANTOR: C G STONY POINT TOWNHOMES LLC EX: N LOC: CI
GRANTEE: CREEKS EDGE AT STONY POINT TOWN HOMES EX: N PCT: 100%

AND ADDRESS :
RECEIVED OF : CASH
CASH: \$24.00

DESCRIPTION 1: SEE DEED PAGES: 0 OF 0
2: NAMES: 0

CONSIDERATION: .00 A/VAL: .00 MAP: C0001049014
PIN:

301 DEEDS 14.50 145 VSLF 1.50
106 TECHNOLOGY TRST FND 5.00 313 FEES - COPIES 3.00

TENDERED : 24.00
AMOUNT PAID: 24.00
CHANGE AMT : .00

CLERK OF COURT: BEVILL M. DEAN

9910016626 RR Donnelley ©2011. All rights reserved. — 0221

(A114086 6/11)

Prepared By:

Brian R. Marron, Esquire
Spotts Fain PC
411 East Franklin Street, Suite 600
Richmond, Virginia 23219

12- 7749

TAX MAP # C00010491014

SECOND SUPPLEMENTAL DECLARATION FOR
CREEK'S EDGE AT STONY POINT TOWN HOMES

THIS SECOND SUPPLEMENTAL DECLARATION FOR CREEK'S EDGE AT STONY POINT TOWN HOMES ("Second Supplemental Declaration") is made this 30th day of January, 2012, by **CG STONY POINT TOWNHOMES, LLC**, a Virginia limited liability company (the "Declarant") (**index as Grantor**) and **KELLY V. HILLSMAN**, 9507 Creek Summit Circle, Richmond, Virginia (**index as Grantor**) for the benefit of **CREEK'S EDGE AT STONY POINT TOWN HOMES HOMEOWNERS ASSOCIATION**, a Virginia non-stock corporation (**index as Grantee**) recites and provides:

Ado 947

RECITALS

1. The Declarant created certain restrictions for a subdivision known as "Creek's Edge at Stony Point Town Homes" (the "Subdivision") known as the Declaration for Creek's Edge at Stony Point Town Homes (the "Declaration") which were recorded in the Clerk's Office, Circuit Court, City of Richmond, Virginia ("Clerk's Office") as Instrument Number 060041498 (as amended and supplemented from time to time).
2. Pursuant to the Declaration, the Declarant or its assigns reserved the right to add additional real estate designated therein as Additional Land to the provisions of the Declaration and to grant additional common areas thereon to Creek's Edge at Stony Point Town Homes

Homeowners Association, a Virginia non-stock corporation (the "Association"), in connection with the development of the Subdivision and the expansion by the Declarant.

3. The Declarant intended to supplement the Declaration by adding that portion of the Additional Land described as Lots 1 through 33, Section 2, Creek's Edge at Stony Point Town Homes, as shown on a plat entitled "Plat of Creek's Edge at Stony Point Town Homes, Section 2, City of Richmond, Virginia" dated June 3, 2011 and recorded in the Clerk's Office as Instrument Number 110010748 ("Section 2 Plat") prior to any conveyance of Section 2.

4. The Declarant conveyed a certain portion of the Additional Land to Vista Residential, LLC, a Virginia limited liability company ("Vista") by deed recorded July 6, 2011 recorded in the Clerk's Office as Instrument Number 110011660 and Vista conveyed Lot 4, Section 2 of the Subdivision to Kelly V. Hillsman by Deed recorded December 21, 2011 in the Clerk's Office as Instrument Number 110021765. Vista submitted the property owned by it in Section 2 of the Subdivision to the Declaration by a First Supplemental Declaration dated January 24, 2012 and recorded in the Clerk's Office as Instrument Number 120001511.

5. In accordance with the provisions of the Declaration, the Declarant reserved the option to expand the Property subject to the Declaration by filing a Supplementary Declaration.

6. Kelly V. Hillsman and SunTrust Mortgage, Inc., the Beneficiary of a Deed of Trust on Lot 4, Section 2 of the Subdivision, each desire to subject such lot to the terms and conditions of the Declaration.

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the Declarant hereby amends and supplements the Declaration as follows.

SUPPLEMENTAL DECLARATION

1. Kelly V. Hillsman hereby voluntarily submits Lot 4, Section 2 of the Subdivision to the Declaration as her free and voluntary act subject to all liens, covenants and matters of record with respect to such property.

2. SunTrust Mortgage, Inc. as Beneficiary under that certain Deed of Trust dated December 21, 2011 and recorded in the Clerk's Office, Circuit Court, City of Richmond, Virginia as Instrument Number 110021766, does hereby consent and subordinate to the Declaration, as supplemented, and consents to the submission of Lot 4, Section 2 of the Subdivision to the terms and conditions of the Declaration.

3. Except as supplemented hereby, the Declaration, as supplemented by the First Supplement described above, remains in full force and effect.

[Signatures on the following pages.]

WITNESS the following signatures:

CG STONY POINT TOWN HOMES, LLC
a Virginia limited liability company

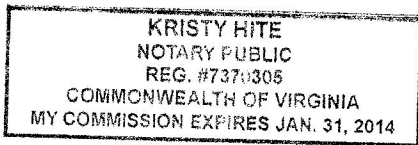
By: *Steven A. Middleton*
Steven A. Middleton, Manager

STATE OF VIRGINIA
CITY/~~COUNTY~~ OF Richmond, to wit:

The foregoing instrument was acknowledged before me this 30th day of January, 2012, by Steven A. Middleton, the Manager of CG Stony Point Town Homes, LLC, a Virginia limited liability company, on behalf of the company.

Kristy Hite
Notary Public

My Commission Expires: 11/31/14
Registration No.: 1370305



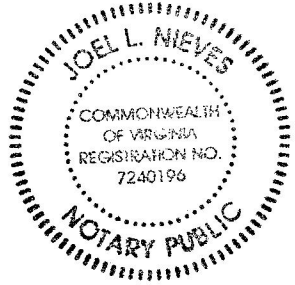
Kelly V. Hillsman
Kelly V. Hillsman

STATE OF VIRGINIA
CITY/COUNTY OF Henrico, to wit:

The foregoing instrument was acknowledged before me this 3rd day of April, 2012, by Kelly V. Hillsman, an individual.

Joel L. Nieves
Notary Public

My Commission Expires: 2-28-2013
Registration No.: 7240196



SUNTRUST MORTGAGE, INC.

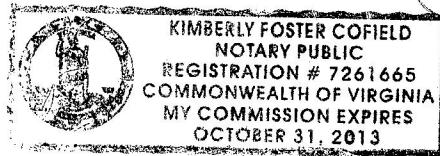
By: *Valerie J. Ziglar*
Name: Valerie J. Ziglar, VP
Title: Group Vice President

STATE OF VIRGINIA
CITY/COUNTY OF Henrico, to wit:

The foregoing instrument was acknowledged before me this 13th day of February, 2012, by Valerie J. Ziglar, as GVP of SunTrust Mortgage, Inc., on behalf of the corporation.

Kimberly Cofield
Notary Public

My Commission Expires: _____
Registration No.: _____



INSTRUMENT # 12-7749
RECORDED IN THE CLERK'S OFFICE OF
CITY OF RICHMOND ON
APR 26 2012 AT 947
Michael N. Deane CLERK
BY: *Michael N. Deane* DEPUTY CLERK

13- 23

Prepared By:
Steven A. Middleton
9030 Stony Point Parkway, Suite 350
Richmond, Virginia 23235

TAX MAP # C0010491014 (Part)

THIRD SUPPLEMENTAL DECLARATION FOR
CREEK'S EDGE AT STONY POINT TOWN HOMES

THIS THIRD SUPPLEMENTAL DECLARATION FOR CREEK'S EDGE AT STONY POINT TOWN HOMES ("Third Supplemental Declaration") is made as of this 27th day of December, 2012, by **VISTA RESIDENTIAL, LLC**, a Virginia limited liability company ("Vista") (**index as Grantor**), for the benefit of **CREEK'S EDGE AT STONY POINT TOWN HOMES HOMEOWNERS ASSOCIATION**, a Virginia non-stock corporation (**index as Grantee**) recites and provides:

RECITALS

1. CG Stony Point Townhomes, LLC, acting as "Declarant" created certain restrictions for a subdivision known as "Creek's Edge at Stony Point Town Homes" (the "Subdivision") known as the Declaration for Creek's Edge at Stony Point Town Homes (the "Declaration") which were recorded in the Clerk's Office, Circuit Court, City of Richmond, Virginia ("Clerk's Office") as Instrument Number 060041498 (as amended and supplemented from time to time).

M-8:46

2. Pursuant to the Declaration, CG Stony Point Townhomes, LLC, acting as the “Declarant” or its assigns, reserved the right to add additional real estate designated therein as Additional Land to the provisions of the Declaration and to grant additional common areas thereon to Creek’s Edge at Stony Point Town Homes Homeowners Association, a Virginia non-stock corporation (the “Association”), in connection with the development of the Subdivision and the expansion by the Declarant under the Declaration.

3. CG Stony Point Townhomes, LLC, Vista and Kelly V. Hillsman supplemented the Declaration by adding that portion of the Additional Land described as Lots 1 through 33, Section 2, Creek’s Edge at Stony Point Town Homes, as shown on a plat entitled “Plat of Creek’s Edge at Stony Point Town Homes, Section 2, City of Richmond, Virginia” dated June 3, 2011 and recorded in the Clerk’s Office as Instrument Number 110010748 (“Section 2 Plat”) as set forth in that certain First Supplemental Declaration for Creek’s Edge at Stony Point Town Homes, dated January 24, 2012 and recorded January 25, 2012, in the Clerk’s Office as Instrument Number 12-1511 and that certain Second Supplemental Declaration for Creek’s Edge at Stony Point Town Homes, dated January 30, 2012 and recorded April 26, 2012, in the Clerk’s Office as Instrument Number 12-7749.

4. CG Stony Point Townhomes, LLC has assigned and conveyed all of the Declarant’s rights and obligations to Vista pursuant to that certain Assignment dated December 27, 2012 and recorded in the Clerk’s Office as Instrument Number 13-22.

5. Vista has created eighteen (18) lots from a portion of the Additional Land which lots are described as Lots 1 through 18, Section 3, Creek's Edge at Stony Point Town Homes, as shown on a plat entitled "Plat of Creek's Edge at Stony Point Town Homes, Section 3, City of Richmond, Virginia" dated August 17, 2012 and recorded on November 9, 2012 in the Clerk's Office in Plat 12, Pages 42A and 42B, as Instrument Number 120022405 ("Section 3 Plat").

6. Vista, acting as the Declarant under the Declaration, desires to submit the property owned by Vista as shown on the Section 3 Plat to the Declaration.

7. In accordance with the provisions of the Declaration, the Declarant reserved the option to expand the Property subject to the Declaration without the consent of any Owner or Mortgagee (except the holder of a deed of trust on the real estate to be submitted) by filing a Supplementary Declaration.

8. Devon Commercial Construction LLC is the holder of a deed of trust on a portion of the real estate to be submitted. Devon Commercial Construction LLC joins in this Supplemental Declaration to evidence its consent and subordination to the terms of the Declaration.

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the Declarant hereby amends and supplements the Declaration as follows.

SUPPLEMENTAL DECLARATION

1. Vista, acting as the Declarant, hereby submits those portions of property owned by Vista in Section 3, Creek's Edge at Stony Point Town Homes as shown on the Section 3 Plat to the Declaration.

2. Devon Commercial Construction LLC, as "Beneficiary", of a certain Credit Line Deed of Trust dated July 1, 2011, recorded July 6, 2011 in the Clerk's Office, Circuit Court, City of Richmond, Virginia as Instrument Number 110011661, as amended by First Amendment to Deed of Trust, Assignment and Security Agreement, dated as of May 1, 2012, recorded in the Clerk's Office, Circuit Court, City of Richmond, Virginia as Instrument Number 120008911, and as further amended by First Amendment to Assignment of Leases, Rents, and Profits, dated as of May 1, 2012, recorded in the Clerk's Office, Circuit Court, City of Richmond, Virginia as Instrument Number 120008912, and as further amended by Second Amendment to Deed of Trust, Assignment, and Security Agreement, dated as of November 1, 2012, recorded in the Clerk's Office, Circuit Court, City of Richmond, Virginia as Instrument Number 12-22846, which encumbers a portion of the property hereby submitted to the Declaration joins in this Supplemental Declaration to evidence its consent and subordination of the lien of such Deed of Trust to the Declaration, as supplemented and amended. Peter L. Henderer and Scott C. Ford,

Trustees under the aforesaid Deed of Trust, either of whom may act, join in the execution of this Supplemental Declaration on behalf of Devon Commercial Construction LLC.

3. Except as supplemented hereby, the Declaration remains in full force and effect.

WITNESS the following signatures:

VISTA RESIDENTIAL, LLC
a Virginia limited liability company

By: 
Steven A. Middleton, Manager

STATE OF VIRGINIA
CITY/COUNTY OF Richmond, to wit:

The foregoing instrument was acknowledged before me this 28 day of December, 2012, by Steven A. Middleton, the Manager of Vista Residential, LLC, a Virginia limited liability company, on behalf of the company.

Andy Purcell Jones
Notary Public

My Commission Expires: 4/30/15

Registration No.: 224095



CONSENT

The undersigned, beneficiary of under a Credit Line Deed of Trust dated July 1, 2011, recorded July 6, 2011 in the Clerk's Office, Circuit Court, City of Richmond, Virginia as Instrument Number 110011661, hereby consents and subordinates the aforesaid Deed of Trust to the Declaration.

**DEVON COMMERCIAL
CONSTRUCTION LLC**, a Virginia
limited liability company

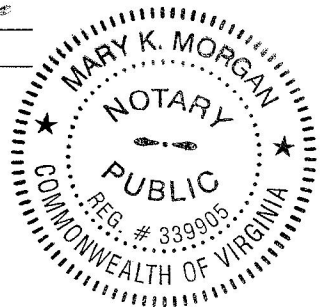
By: Edward Mitchell
Name: EDWARD MITCHELL
Title: MANAGER

STATE OF VIRGINIA
CITY/COUNTY OF Richmond, to wit:

The foregoing instrument was acknowledged before me this 27th day of December, 2012, by Edward Mitchell, the Manager of Devon Commercial Construction LLC, a Virginia limited liability company, on behalf of the company.

Mary K. Morgan
Notary Public

My Commission Expires: 7/31/2014
Registration No.: 339905



CONSENT

The undersigned, trustee under a Credit Line Deed of Trust dated July 1, 2011, recorded July 6, 2011 in the Clerk's Office, Circuit Court, City of Richmond, Virginia as Instrument Number 110011661, hereby consents to the Declaration.

Peter L. Henderson
Peter L. Henderson, Trustee

STATE OF VIRGINIA
COUNTY/CITY OF Richmond, to wit:

The foregoing instrument was acknowledged before me this 27th day of December, 2012, by Peter L. Henderson, Trustee.

Linda A. Puckette
Notary Public

My Commission Expires: 3/31/14
Registration No.: 219759



INSTRUMENT # 110011661
RECORDED IN THE CLERK'S OFFICE OF
CITY OF RICHMOND ON
JANUARY 2, 2012 AT 10:40AM
BEVILL M. DEAN, CLERK
RECORDED BY: VLB

Prepared By:
Steven A. Middleton
9030 Stony Point Parkway, Suite 350
Richmond, Virginia 23235

TAX MAP NO. C0010491014 (Part)

13-20587

**FOURTH SUPPLEMENTAL DECLARATION FOR
CREEK'S EDGE AT STONY POINT TOWN HOMES**

Real Estate Investment Protection Agency
9030 Stony Point Parkway
Suite 350
Richmond, Virginia 23235

M/8:36

THIS FOURTH SUPPLEMENTAL DECLARATION FOR CREEK'S EDGE AT STONY POINT TOWN HOMES ("Third Supplemental Declaration") is made as of this 3rd day of September, 2013, by VISTA RESIDENTIAL, LLC, a Virginia limited liability company ("Vista") (index as Grantor), for the benefit of CREEK'S EDGE AT STONY POINT TOWN HOMES HOMEOWNERS ASSOCIATION, a Virginia non-stock corporation (index as Grantee) recites and provides:

RECITALS

1. CG Stony Point Townhomes, LLC, acting as "Declarant" created certain restrictions for a subdivision known as "Creek's Edge at Stony Point Town Homes" (the "Subdivision") known as the Declaration for Creek's Edge at Stony Point Town Homes (the "Declaration") which were recorded in the Clerk's Office, Circuit Court, City of Richmond, Virginia ("Clerk's Office") as Instrument Number 060041498 (as amended and supplemented from time to time).

2. Pursuant to the Declaration, CG Stony Point Townhomes, LLC, acting as the "Declarant" or its assigns, reserved the right to add additional real estate designated therein as Additional Land to the provisions of the Declaration and to grant additional common areas thereon to Creek's Edge at Stony Point Town Homes Homeowners Association, a Virginia non-stock corporation (the "Association"), in connection with the development of the Subdivision and the expansion by the Declarant under the Declaration.

3. CG Stony Point Townhomes, LLC, Vista and Kelly V. Hillsman supplemented the Declaration by adding that portion of the Additional Land described as Lots 1 through 33, Section 2, Creek's Edge at Stony Point Town Homes, as shown on a plat entitled "Plat of Creek's Edge at Stony Point Town Homes, Section 2, City of Richmond, Virginia" dated June 3, 2011 and recorded in the Clerk's Office as Instrument Number 110010748 ("Section 2 Plat") as set forth in that certain First Supplemental Declaration for Creek's Edge at Stony Point Town Homes, dated January 24, 2012 and recorded January 25, 2012, in the Clerk's Office as Instrument Number 12-1511 and that certain Second Supplemental Declaration for Creek's Edge at Stony Point Town Homes, dated January 30, 2012 and recorded April 26, 2012, in the Clerk's Office as Instrument Number 12-7749.

4. CG Stony Point Townhomes, LLC has assigned and conveyed all of the Declarant's rights and obligations to Vista pursuant to that certain Assignment dated December 27, 2012 and recorded January 2, 2013 in the Clerk's Office as Instrument Number 13-22.

9. CET Investors, LLC is the holder of a deed of trust on a portion of the real estate to be submitted. CET Investors, LLC joins in this Supplemental Declaration to evidence its consent and subordination to the terms of the Declaration.

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the Declarant hereby amends and supplements the Declaration as follows.

SUPPLEMENTAL DECLARATION

1. Vista, acting as the Declarant, hereby submits those portions of property owned by Vista in Section 4, Creek's Edge at Stony Point Town Homes as shown on the Section 4 Plat to the Declaration.

2. CET Investors, LLC, as "Beneficiary" of a certain Deed of Trust Dated December 29, 2004 recorded in the Clerk's Office of the Circuit Court of the City of Richmond, Virginia (the "Clerk's Office") as Instrument Number 040044127, as modified by Modification of Deed of Trust dated July 21, 2005 recorded in the Clerk's Office as Instrument Number 050014416 and by Second Modification dated April 18, 2007 recorded in the Clerk's Office as Instrument Number 070013861 and as assigned by Assignment and Assumption of Security Instrument and Loan Documents dated February 4, 2011 recorded in the Clerk's Office as Instrument Number 110002211 which encumbers the property hereby submitted to the Declaration joins in this Supplemental Declaration to evidence its consent and subordination of the lien of such Deed of Trust to the Declaration, as supplemented. Steven A. Middleton and Mary Middleton, Trustees under the aforesaid Deed of Trust, either of whom may act, join in the execution of this Declaration on behalf of the Beneficiary.

3. Except as supplemented hereby, the Declaration remains in full force and effect.

WITNESS the following signatures:

VISTA RESIDENTIAL, LLC
a Virginia limited liability company

By: *Steven A. Middleton*
Steven A. Middleton, Manager

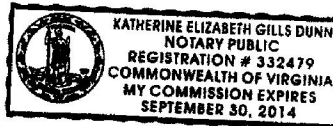
STATE OF VIRGINIA
CITY OF RICHMOND, to wit:

The foregoing instrument was acknowledged before me this 6th day of September, 2013, by Steven A. Middleton, the Manager of Vista Residential, LLC, a Virginia limited liability company, on behalf of the company.

Katherine Elizabeth Gills Dunn
Notary Public

My Commission Expires: 9-30-14

Registration No.: 332479



5. Vista further supplemented the Declaration by adding that portion of the Additional Land described as Lots 1 through 18, Section 3, Creek's Edge at Stony Point Town Homes, as shown on a plat entitled "Plat of Creek's Edge at Stony Point Town Homes, Section 3, City of Richmond, Virginia" dated August 17, 2012 and recorded on November 9, 2012 in the Clerk's Office in Plat 12, Pages 42A and 42B, as Instrument Number 120022405 ("Section 3 Plat") as set forth in that certain Third Supplemental Declaration for Creek's Edge at Stony Point Town Homes, dated as of December 27, 2012 and recorded January 2, 2013, in the Clerk's Office as Instrument Number 13-23.

6. Vista has created eighteen (18) lots from a portion of the Additional Land which lots are described as Lots 1 through 18, Section 4, Creek's Edge at Stony Point Town Homes, as shown on a plat entitled "Plat of Creek's Edge at Stony Point Town Homes, Section 4, City of Richmond, Virginia" dated July 8, 2013 and recorded on July 30, 2013 in the Clerk's Office in Plat 13, Pages 16A and 16B, as Instrument Number 130017009 ("Section 4 Plat").

7. Vista, acting as the Declarant under the Declaration, desires to submit the property owned by Vista as shown on the Section 4 Plat to the Declaration.

8. In accordance with the provisions of the Declaration, the Declarant reserved the option to expand the Property subject to the Declaration without the consent of any Owner or Mortgagee (except the holder of a deed of trust on the real estate to be submitted) by filing a Supplementary Declaration.

CONSENT

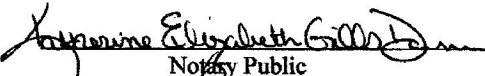
The undersigned, beneficiary of under a Deed of Trust Dated December 29, 2004 recorded in the Clerk's Office of the Circuit Court of the City of Richmond, Virginia (the "Clerk's Office") as Instrument Number 040044127, as modified by Modification of Deed of Trust dated July 21, 2005 recorded in the Clerk's Office as Instrument Number 050014416 and by Second Modification dated April 18, 2007 recorded in the Clerk's Office as Instrument Number 070013861 and as assigned by Assignment and Assumption of Security Instrument and Loan Documents dated February 4, 2011 recorded in the Clerk's Office as Instrument Number 11002211, hereby consents and subordinates the aforesaid Deed of Trust to the Declaration.

CET INVESTORS, LLC, a Virginia limited liability company


Steven A. Middleton, Trustee

STATE OF VIRGINIA
CITY OF RICHMOND, to wit:

The foregoing instrument was acknowledged before me this 6th day of September, 2013, by Steven A. Middleton, Trustee.


Notary Public

My Commission Expires: 9-30-14

Registration No.: 332479



INSTRUMENT #130020587
RECORDED IN THE CLERK'S OFFICE OF
CITY OF RICHMOND ON
SEPTEMBER 10, 2013 AT 08:36AM