

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR HIGHLAND PLACE

THIS DECLARATION, originally dated as of October 20, 2002, by Chase Properties, Inc. (~~“Declarant”~~), as ~~grantor for indexing purposes; TRUSTEE, and W. Leo Satterwhite, TRUSTEE (referred to individually as a “Trustee” and collectively as the “Trustees”), as grantors for indexing purposes; and BB&T Bank (“Beneficiary”), as grantor for indexing purposes, and amended by the Highland Place Property Owners Association, Inc. on July 13, 2017,~~ recites and provides:

RECITALS

Declarant is the association of lot owners of ~~the~~ 18.69 acres of land referred to as Exhibit A (the “Property”). Declarant intends by this Declaration to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all lot owners. Declaration further desires to provide a flexible and reasonable procedure for the overall development of the Property, and to establish a method for the administration, maintenance, preservation, use and enjoyments of the Property.

This declaration amends the original Covenants, Conditions, and Restrictions dated October 20, 2002 and filed with the County Clerk of Northumberland County, Virginia.

~~———— [A portion of] the Property is subject to the lien of deed of trust (the “Deed of Trust”) dated November 7, 2002, and recorded on November 12, 2002, in Deed Book 524, pages 859 through 874, in the Clerk’s Office of the Circuit Court of Northumberland County, Virginia, pursuant to which Declarant conveyed [such portion of] the Property to the Trustees, in trust, to secure the repayment of certain indebtedness unto Beneficiary, as more particularly set forth therein. The Trustees and the Beneficiary now desire to join this Declaration to evidence their consent to the provisions hereof and to subordinate the lien of the Deed of Trust to this Declaration.~~

DECLARATION

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of the Property, and which shall run with title to the Property and bind and inure to the benefit of all “Owners” (as defined in ARTICLE I) from time to time.

ARTICLE I

Definitions

The following terms shall have the following meanings.

“Association” shall mean Highland Place ~~Homeowners-Community~~ Association, Inc., a Virginia non-stock corporation, ~~which shall be created pursuant to the provisions of ARTICLE IV.~~

“Common Areas” shall be an inclusive term referring to all real and personal property or property interests which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners, including, but not limited to, (i) all of the real and personal property within the Property that is located outside the boundaries of each Lot, (ii) the Road System (iii) any entry gate constructed at the entrance of the Property, and (iv) the Well System. The initial Common Area is included within and appurtenant to the Property.

“Declarant” shall mean and refer to, ~~Chase Properties, Inc. or its successors, successors-in-title or assigns who take title to any portion of the Property for the purpose of development and/or sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant~~ Highland Place Community Association, Inc.

~~“Declarant Control Period” shall refer to the period of time that the Declarant’s Class B Membership is in effect under Section 7.4(b).~~

“Lot” shall mean any of Lots 1 through 8 of Highland Place, as such lots are depicted on Exhibit A hereto; ~~provided, however, that any Lots withdrawn from the effect of this Declaration pursuant to Section 13.4 shall no longer be “Lots” from and after the date of such withdrawal.~~

“Member” shall mean a member of the Association, ~~which shall include the Declarant for such times as the Declarant is an Owner.~~

“Owner” shall mean the record owner or owners of a Lot in fee simple, and shall not mean any mortgagee or deed of trust trustee who has an interest in a Lot merely for the purpose of securing a loan or other obligation; provided, however, that any such mortgagee or trustee that may acquire fee simple title to a Lot pursuant to foreclosure or any proceeding in lieu of foreclosure shall be considered an “Owner.” ~~The term “Owner” shall include the Declarant for such time as the Declarant owns any Lot.~~

“Highland Place” shall mean the Property or the residential community located on the “Property,” as the context may require.

“Road System” shall mean the streets, roads, lanes, avenues and/or bridges in Highland Place and all appurtenance thereto, including, without limitation, any curb, gutter, culvert or other related improvements.

“Water System” shall mean the “Well Lot” depicted on Exhibit A hereto, and the well, pumping equipment, tank, the water mains and easements used for the

installation, operation, maintenance and repair of the water system serving the homes built on the Lots.

ARTICLE II

Water System

Section 2.1 Private Water System. ~~The Water System will be a private system, and shall be constructed and maintained by the Declarant as part of the common areas until the common areas are conveyed by the Declarant to the Association. Once such conveyance occurs, the~~ Association shall have the exclusive right and obligation to operate, maintain, repair and improve the Water System, and shall keep the Water System in good, clean, attractive and sanitary condition, order and repair.

Section 2.2 Declarant to Construct Water System. The original declarant ~~(Chase Properties) shall~~ constructed the Water System in accordance with the contract dated January 1, 2003 between the Declarant and the Association. Such contract shall require d generally that the Water System be adequate to supply to the homes in Highland Place an adequate amount of safe drinking water in accordance with all applicable governmental requirements.

Section 2.3 Rights to Use Water System.

(a) Subject to the other provisions of this Declaration, every Owner shall have the right in common with the other Owners to use water from the Water System for reasonable residential purposes. Such right to use, however, shall be subject to (i) the right of the ~~Declarant or, after the Declarant's conveyance of the common areas, including the Water System, to the Association,~~ the Association, to modify or relocate any of the components of the Water System as long as such modifications do not materially and adversely affect the quantity or quality of water available to Owners from the Water System, and (ii) such rules and regulations as may be promulgated by ~~the Declarant or, after the Declarant's conveyance of the common areas, including the Road System, to the Association,~~ the Association.

~~(b) In addition, at any time while the Declarant owns any of the Lots, the Declarant shall have the right for itself, its heirs, successors and assigns, to make up to two additional connections to the Water System for use for up to two residences located outside of Highland Place (the "offsite residences"), provided that at the time such additional connections are made they do not materially and adversely affect the quantity or quality of water available to Owners from the Water System. If Declarant elects to make either or both of these two connections to serve offsite residents, Declarant and the Association shall contemporaneously record in the land records of Northumberland County an instrument pursuant to which (i) Declarant and the Association grant, subject to and in accordance with the provisions of this Section 2.3(b), to the owners from time to time of the offsite residence(s), an~~

~~easement or easements for use of the Water System, (ii) Declarant sets forth the legal description(s) for the offsite residence(s) to be served by the Water System, (iii) the record owner(s) of the offsite residence(s) agree to pay the Association a pro rata share (based on the total number of Lots and offsite residences using the Water System) of the costs of operating, maintaining and repairing the Water System, and to pay Declarant the connection fee provided for in Section 2.5., (iv) the record owner(s) of the offsite residence(s) agree to comply with the provisions of this Declaration applicable to use of water from the Water System including, without limitation, all rules and regulations promulgated by the Declarant or the Association pursuant to Section 2.3(a), and (v) the record owners of the offsite residence(s) agree that in the event they fail to pay any assessments properly levied for their pro rata share of the costs for operating, maintaining and repairing the Water System, the associations shall be entitled to pursue all of its legal and equitable remedies against such owners, in which case such owners shall also be responsible for all collection costs incurred by the Association including, without limitation, court costs and all legal fees and costs.~~

Section 2.4 Conveyance of Water System to Association. ~~Within 60 days after the date of the first conveyance of a Lot by the Declarant to an Owner other than the Declarant, the Declarant will convey the c~~Common areas, including the Water System, have conveyed to the Association, free and clear of all liens or encumbrances ~~other than (i) the statutory lien for taxes that are not yet due and payable, (ii) this Declarant, and (iii) any other matters of title that do not materially and adversely affect the contemplated use of the Water System by the Association and its Members.~~

Section 2.5 Water System Assessment. ~~In addition to the g~~General and special assessments ~~that~~ may be levied by the Association pursuant to ARTICLE V of this Declaration, ~~the first Owner to which the Declarant conveys each Lot shall pay to the Declarant a water connection fee of \$2500 at the time of such Owner's hook-up to the Water System or six months after such Owner closes on the purchase of its Lot, whichever shall occur first.~~

Section 2.6 Regulations Regarding Use of Water from Well System.

(a) Subject to the provisions of ARTICLE X and any regulations established by ~~the Declarant or, after the Declarant's conveyance of the Water System to the Association,~~ the Association, each Owner shall be entitled to use the water supplied by the Water System exclusively for normal residential purposes, and no Owner shall be entitled to use such water in a unreasonable manner or in unreasonable quantities as to affect adversely the mutual rights of the Owners. Individual swimming pools may be filled using Well System water but such use will be subject to a special assessment to be determined by the Association. A bladder type pressure storage tank, "Wel-Ex-Tol" model 201 or equivalent, shall be installed by each Owner in its house to minimize fluctuations in water pressure.

(b) Every Owner shall connect to the Water System. Private wells shall not be permitted.

(c) The Association shall be entitled to adopt such rules and regulations not inconsistent herewith governing the use of the Water System as may be necessary or appropriate.

ARTICLE III

Road System

Section 3.1 Private Road System. ~~The Road System will be private, and shall be constructed and maintained by the Declarant as part of the common areas until the common areas are conveyed by the Declarant to the Association. Once such conveyance occurs,~~ The Association shall have the exclusive right and obligation to operate, maintain, improve and repair the Road System and shall keep the Road System in good, clean, attractive and sanitary condition, order and repair. The primary reason for private maintenance of the Road System is the creation of a community which is aesthetically pleasing and functionally convenient, and to allow for the maximum privacy and security for the Owners in Highland Place and their guests.

Section 3.2 Construction of Road System. ~~The Declarant shall construct the Road System in accordance with the contract dated January 1, 2003 between the Declarant and the Association. Such contract shall require generally that~~ the Road System shall be reasonably durable and adequate to afford convenient vehicle and pedestrian access to all of the Lots.

Section 3.3 Right to Use Road System.

(a) Subject to the other provisions of this Declaration, every Owner shall have the right in common with the other Owners to use the Road System for reasonable vehicular and pedestrian ingress and egress to their Lots from the adjoining public roads. Such right of use, however, shall be a subject to (i) the right of ~~the Declarant or, after the Declarant's conveyance of the common areas, including the Road System, to the Association,~~ the Association, to modify or relocate any of the components of the Road System so long as such modifications do not materially and adversely affect any Owners ingress to and egress from its Lot, and (ii) such rules and regulations as may be promulgated by ~~the Declarant or, after the Declarant's conveyance of the common areas, including the Road System, to the Association,~~ the Association.

(b) The County of Northumberland and/or the Commonwealth of Virginia, their respective agents or employees, shall have free and unencumbered passage and use of the Road System shall specifically have the right to regulate traffic, establish speed limits, and do all things necessary to enforce all

motor vehicle and other laws of the Commonwealth of Virginia and all ordinances of the County of Northumberland, and to this extent only shall the roads be deemed "public." The Road System otherwise shall remain private for all other intents and purposes.

Section 3.4 Conveyance of Road System to Association. ~~Within 60 days after the date of the first conveyance of a Lot by the Declarant to an Owner other than the Declarant, the Declarant will~~ The original Declarant has conveyed the common areas, including the Road System, to the Association, free and clear of all liens or encumbrances ~~other than (i) the statutory lien for taxes that are not yet due and payable, (ii) this Declaration, and (iii) any other matters of title that do not materially and adversely affect the contemplated use of the Road System by the Association and its Members.~~

Section 3.5 Regulations Regarding Use of Road System. The Association shall be entitled to adopt such rules and regulations not inconsistent herewith governing the use of the Road System as may be necessary or appropriate.

ARTICLE IV

Conveyance of Common Areas

~~Within 60 days after the Declarant's first sale of a Lot to an Owner other than the Declarant, the Declarant shall~~ The original Declarant has conveyed to the Association all of the Common Areas, free and clear of all liens or encumbrances ~~other than (i) the statutory lien for taxes that are not yet due and payable, (ii) this Declaration, and (iii) any other matters of title that do not materially and adversely affect the contemplated use of the Common Areas by the Association and its Members. Notwithstanding such conveyance, the Declarant shall retain the and no longer holds any~~ rights to full access and use of the Common Areas ~~as may be necessary or convenient in connection with the Declarant's development and sales of homes in Highland Place.~~

ARTICLE V

Assessments

Section 5.1 Imposition of Assessments. Each Lot shall bear its pro rata share (based on the total number of Lots) of all general and special assessments provided for hereunder, except for special assessments assessed particular Owners as expressly provided for herein.

Section 5.2 Amounts of General Assessments. ~~The general assessment for the calendar year in which this Declaration is recorded shall be determined by the Declarant, but in no event shall it exceed \$500 per Lot. Thereafter, t~~ The Association shall each year adopt a budget making proper provision for its expected income and expenses, plus reasonable amounts for contingency and reserves. After adopting the budget, and subject to obtaining any requisite approvals described below, the

Association shall fix the general assessment for any subsequent calendar year at an amount consistent with the budget. In the absence of any effective action by the Association to adopt a budget or set an assessment for any particular year, the assessment applicable for the prior year shall continue in effect until changed by the Association in accordance with this ARTICLE V.

Section 5.3 Due Dates for General Assessments. Initially, general assessments shall be assessed and payable on an annual basis, however, the Association may elect to change the payment schedule to a semi-annual, quarterly, or monthly schedule. ~~The initial annual assessment provided for in Section 5.1 shall be effective upon the recoding of this Declaration in the Northumberland County land records. Subsequent a~~Annual general assessments shall be effective and payable on January 1 of each succeeding year, unless and until the Association elects to change the payment schedule.

Section 5.4 Special Assessments. In addition to the annual general assessments authorized above, the Association may levy from time to time a special assessment for the purpose of defraying, in whole or in part, the cost of any unbudgeted expense (which term includes expenses that exceed the amount budgeted for any particular item) associated with the ownership, operation, maintenance or repair of the Common Areas (including, without limitation, the Water System and the Road System) or the Association's other business or operations. The due date of any special assessment shall be fixed in the Resolution of the Board of Directors of the Association authorizing such an assessment. In addition, the Association may levy a special assessment against one or more individual Owners pursuant to Section 10.13.

Section 5.5 Member Approvals for Assessments. Any special assessments other than pursuant to Section 10.13, and any increase of any annual assessment from one year to the next of more than 10%, must have the affirmative approval of at least two-thirds of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting. A quorum for any meeting shall be at least 60% of all of the votes entitled to be cast. There shall be one vote for each Lot. If the required quorum is not forthcoming at such a meeting, an additional meeting may be called, subject to such notice requirements as set forth above, and the required quorum at the subsequent meeting shall be at least 30% of all the votes entitled to be cast; provided, however, that any such subsequent meeting shall be held at least sixty (60) days following the preceding meeting.

Section 5.6 Certificates for Assessments. The Association, upon demand of any Owner, shall furnish to such Owner a certificate signed by an officer of the Association setting forth whether the assessments applicable to such Owner's Lot have been paid. Absent manifest error, such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. The Association

may require the advance payment of a processing fee not to exceed \$50 for the issuance of such certificate.

Section 5.7 Disclosure Packet. The Association shall, to the extent required by §55-~~512-509.5~~ of the Virginia Code, furnish to any Owner or his authorized agent a disclosure packet meeting the requirements of such code section. In addition, the Association shall, to the extent required by such code section and requested by any purchaser of a ~~Unit~~Lot, furnish to any purchaser of a ~~Unit~~Lot an update of such disclosure packet. The Board of Directors may establish a fee for the preparation and processing of each such disclosure packet and/or update thereof not to exceed the amount permitted by such code section.

Section 5.8 Late Payments: Enforcement.

(a) All assessments, together with interest, late charges and collections costs as provided below, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made until paid. Each such assessment, together with such interest, late charges and collections costs, shall also be the personal obligation of the Owner of such Lot at the time the assessment arose, and such Owner's grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first mortgagee who obtains title to a Lot pursuant to the remedies provided in the mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

(b) If any assessment is not paid within 30 days after the due date, a late payment charge of 10% shall be added thereto, and such unpaid assessment shall bear interest at the rate of ten percent per annum from the date it originally became due until the date it is paid. In addition, the Association may at any time thereafter (i) commence appropriate collection proceedings in a court of competent jurisdiction, and/or (ii) initiate the process of filing and enforcing a memorandum of lien as provided in Section 5.9 below. All costs (including, without limitation, court costs and attorneys' fees) of enforcing payment of such unpaid assessment against the Owner and/or foreclosing the lien on the Lot shall be added to the amount of such unpaid assessment and shall thereafter accrue interest at the rate of ten percent per annum.

Section 5.9 Lien for Assessments.

(a) Upon recording of a memorandum of lien on any Lot, there shall exist a perfected lien against such Lot for unpaid assessment prior and superior to all other items to all other items, except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage with first priority over other mortgages) made in good faith and for value.

(b) Prior to recording a memorandum of lien, a written notice shall be sent to the Owner by certified mail, at the Owner's last known address, informing the Owner that a memorandum of lien will be recorded in the Clerk's Office of the Circuit Court of Northumberland County, Virginia. This notice shall be sent at least ten (10) days before the actual filing date of the memorandum of lien. Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure.

(c) The Association, acting on behalf of the Owners, shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such a Lot had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid assessments, late charges, interest, costs and attorney's fees shall be maintainable without foreclosing or waving the lien securing the same.

(d) Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges and collection costs (including, without limitation, attorneys' fees) as provided for herein, shall be subordinate to the lien of any first mortgage upon any Lot. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such a Lot from lien rights for any assessments thereafter becoming due. Where mortgagee holding a first mortgage of record or other purchaser of a Lot obtains a title pursuant to judicial or nonjudicial foreclosure of the mortgage, its shall be liable for the share of the assessments by the Association chargeable to such Lot which became due prior to such acquisition of title. Such unpaid share of assessments shall be deemed to be common expenses collectable from Owners of all the Lots, including such acquirer, its successors and assigns.

Section 5.10 Capitalization of Association. ~~Upon acquisition of record title to a Lot by the first purchaser thereof other than the Declarant, a contribution shall be made by or on behalf of the purchaser thereof other than the Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth (1/6) of the annual general assessment per Lot for that year. This amount shall be in addition to, not in lieu of, the annual general assessment levied on the Lot and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the association pursuant to the terms of this Declaration and the Bylaws. The initial capitalization of the Association has been completed.~~

Section 5.11 Exempt Property. The following property shall be exempt from payment of general and special assessments:

(a) all Common Area; and

(b) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks, if any.

Section 5.12 No Waiver or Exemption from Assessments. No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of the Common Area or abandonment of the Lot. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association to take some action to perform some function required to be taken or performed by the Association under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

~~Section 5.13 Declarant's Assessment Obligations. Notwithstanding any other provision of this ARTICLE V, during the Class B Control Period the Declarant may annually elect either:~~

~~(a) to pay regular assessments on its unsold Lots; or~~

~~(b) to pay the Association the difference between the amount of assessments due on all other Lots subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year, including budgeted contributions to reserves. Unless the Declarant otherwise notifies the Association in writing at least sixty (60) days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. The Declarant's obligations hereunder may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the Association's common expenses.~~

ARTICLE VI

Common Areas

Section 6.1 Association's Management and Maintenance of Common Areas. ~~Once the Road System, the Water System and the other Common Areas have been conveyed to the Association by the Declarant, t~~The Association, subject to the rights of Owners set forth herein, shall have the exclusive right and obligation to manage, maintain and control the Common Areas and all improvements thereon, and shall keep such the Common Areas and all improvements thereon in good, clean, attractive and sanitary condition, order and repair.

Section 6.2 Owner's Rights of Use of Common Areas. Subject to the other provisions of this Declaration, each Owner shall have a nonexclusive right of enjoyment in and to the Common Areas, including the Road System and the Water System, which shall be appurtenant to and pass with title to each Lot. Such right of enjoyment shall be subject, however, to the following:

(a) the provisions of this Declaration, as it may be amended from time to time, and any restrictions or limitations of record in the Northumberland County land records encumbering the Property;

(b) the right of the Association to establish reasonable rules and to impose reasonable charges for the use of the Water System, the Road System and the other Common Areas by Owners and their guests;

(c) the right of the Association to suspend the right of any Owner to the use of the Common Areas, including the Water System and the Road System, for any period when (i) any assessment against such Owner or such Owner's Lot is unpaid for more than thirty (30) days after notice or (ii) such Owner otherwise is not in compliance with this Declaration or any rules and regulations promulgated pursuant hereto for more than thirty (30) days after notice;

(d) the right of the Association to mortgage or grant a security interest in all or any part of the Common Areas for any proper purpose of the Association; and

(e) the right of the Association to dedicate or transfer all or any part of or interest in the Common Areas, including the Water System and the Road System, to any public agency, authority or utility for such purposes and subject to such conditions as may be desired by the Association.

Section 6.3 Delegation of Use Rights. Any Owner may delegate its right of use and enjoyment to any family members, lessees and guests, as applicable, subject to reasonable regulation by the Association. An Owner that leases its Lot shall be deemed to have delegated all such rights to the Lot's lessee.

Section 6.4 Damage to Common Areas. In the event all or any of the Common Areas is damaged by an Owner or any person occupying or visiting such Owner's Lot, the Association may elect to repair such damage and assess the cost of

such repairs as a special assessment against such Owner and such Owner's Lot. Any such special assessment shall be subject to the imposition of late charges, late payment fees and collection costs, and may be collected or enforced, the same as provided herein for general assessments.

Section 6.5 Waiver of Certain Potential Claims. Each Owner acknowledges that the Declarant has contracted with the Association to construct the Road System and the Water System, and that the Declarant has contracted with various subcontractors to perform such construction, in each case in a good and workmanlike manner sufficient to pass without objection in the trade and in accordance with all applicable governmental requirements. Each such Owner further acknowledges that due to natural occurrences beyond the control of the Declarant (including, without limitation, change in the level of the water table, natural wear and tear, activities on adjoining properties and accidental damage), damages to or problems with the Road System or the Water System may occur after the proper construction of those systems. Therefore, each Owner hereby acknowledges that prior to becoming an Owner he was provided an opportunity to inspect the condition of the Road System and the Water System, and that he waives any potential claim he may have against the Declarant on account of any damages to or problems with the Road System or the Water System that may occur due to any occurrences beyond the control of the Declarant. Such waiver shall not include, however, any claims any the Declarant. Such waiver shall not include, however, any claims any such Owner may have on account of any warranty contained in any contract pertaining to the Road System or the Water System.

ARTICLE VII

Homeowners-Community Association

Section 7.1 Formation of the Association. The Association ~~shall be was~~ formed ~~by the Declarant~~ pursuant to the Virginia Nonstock Corporation Act contemporaneously with the recording of the Declaration in the land records of Northumberland County. The Association ~~shall be is~~ governed by appropriately adopted bylaws and articles of incorporation which are not inconsistent with this Declaration, and in the event of any conflict between the provisions of the Declaration and such articles and bylaws, this Declaration shall control. The Association shall ~~purchase and~~ maintain appropriate hazard, liability and officers and directors insurance in such amounts and on such terms and conditions as it may deem reasonable.

Section 7.2 Duties of the Association. The Association shall promulgate rules and regulations consistent with this Declaration to govern the use of the Common Areas.

Section 7.3 Membership. Each Owner shall be a member of the Association.

Section 7.4 Voting.

~~The Association shall have two (2) classes of membership, Class A and Class B, as follows:~~

~~(a) Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any. Class "A" Members shall be entitled to one (1) equal vote for each Lot in which they hold the interest required for membership under Section 7.3 hereof; there shall be only one vote per Lot. If more than one person holds the interest in such Lot required for membership, the vote for such Lot shall be exercised as those persons determine among themselves and advise the Association in writing prior to any meeting. In the absence of such written advice, the Lot's vote shall be suspended if more than one person seeks to exercise it. The membership rights of a Lot owned by a corporation, partnership or other legal entity shall be exercisable by the individual designated from time to time by the Owner in a written instrument provided to the Association.~~

~~(b) The Class B Member shall be the Declarant. The rights of the Class B Member, including the right to approve actions taken under this Declaration and the Bylaws, are specified elsewhere in this Declaration and the Bylaws. Among other things, the Class B Member shall be entitled to appoint all or a majority of the members of the Board of Directors of the Association during the Class B Control Period, as specified in Article III, Section 2 of the Bylaws. After termination of the Class B Control Period, the Class B Member shall have a right to disapprove certain actions of the Board of Directors and any committee as provided in Article III, Section 3 of the Bylaws. The Class B membership shall terminate and become converted to Class A membership upon the earlier of (i) two years after the date of this Declaration is recorded in the land records of Northumberland County, or (ii) when the Declarant has sold and conveyed six of the Lots.~~

ARTICLE VIII

Insurance and Casualty Losses

Section 8.1 Association Insurance.

(a) The Association shall obtain blanket "all-risk" property insurance. If reasonably available, for all insurable improvements on the Common Areas to the extent the Association is responsible for maintenance, repair or replacement of insurable improvements thereon in the event of a casualty. If blanket "all-risk" coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage, including coverage for vandalism and malicious mischief, shall be obtained. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured peril.

(b) The Association shall also obtain general public liability policy in a reasonable coverage amount covering the Common Areas, and insuring the Association and the Owners for all damage or injury caused by the negligence of the

Association or any employees, agents (including Owners) or contractors while acting on behalf of the Association.

(c) The Association shall obtain such other insurance coverage as shall be reasonable, prudent, and consistent with other similar homeowner associations in Northumberland County, Virginia.

(d) Premiums for all insurance obtained by the Association shall be included in the assessments levied pursuant to Section ARTICLE V. The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage requested hereunder. In the event of an insured loss, the deductible shall be treated as a common expense.

Section 8.2 Individual Insurance. Each Owner shall carry blanket all-risk casualty insurance on its Lot and structures constructed thereon on a replacement cost basis. In the event of a partial loss or damage resulting in less than total destruction of structures on any Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with ARTICLE XI of this Declaration. The Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the other Lots in Highland Place.

Section 8.3 Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Property covered by insurance written in the name of the Association, the Association or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Property. Repair or reconstruction, as used in this paragraph means repairing or restoring the Property to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless ~~the Declarant and~~ seventy-five (75%) percent of the Owners shall ~~decide-agree~~ within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such funds or

information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed.

(c) In the event that it should be determined in the manner described above that the damage or destruction in the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Property shall be cleared of all debris and ruins and maintained by the Association in a neat and attractive condition consistent with the overall community standard in Highland Place.

Section 8.4 Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies held by the Association are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment if such repairs or reconstructions as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners, and their mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any mortgagee and may be enforced by such mortgagee.

Section 8.5 Repair and Reconstruction. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, ~~without the necessity of a vote of Class A Members,~~ levy a special assessment for such amount against all Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE IX

Easements

Section 9.1 Reservation of Easements.

(a) There shall be reserved in favor of ~~the Declarant, and when the Declarant no longer is an Owner, in favor of~~ the Association, and the designees of ~~each~~ (which may include, without limitation, Northumberland County, Virginia, and any utility), (i) a perpetual easement across the Property for the purpose of altering drainage and water flow, (ii) blanket easements upon, across, over, and under all of the Property for egress, egress, installation, reading, replacing, repairing, and maintaining (A) cable television ~~and internet~~ systems, (B) master television antenna systems, security, and similar systems, (C) Roads, (D) walkways, (E) bicycle pathways, (F) lakes, ponds and wetlands, (G) street lights, (H) signage, and (I) all

utilities including appurtenant facilities and meter boxes, whether serving the Property or any adjacent properties, and whether benefitting the Declarant, any Owner, the Association, or an adjacent property owner, including but not limited to, water, sanitary and storm sewer, telephone, gas, and electricity. Notwithstanding the foregoing, the exercise of any of the foregoing easements shall not unreasonably interfere with the use of any Lot, or render any Lot unsuitable for the construction and use of a residence thereon and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant thereof. Any such utility easements shall include such rights as may from time to time be required by the entity providing such utility service.

(b) Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property, except as may be approved by the ~~Declarant so long as the Declarant owns any of the Lots, or thereafter by the~~ Association.

(c) Any such easement described in this Section may be granted by separate recordable document executed by the ~~Declarant, so long as the Declarant owns any Lots, or thereafter by the~~ Association. The easements provided for in this Section shall in no way adversely affect any other recorded easement on the Property.

Section 9.2 Reservation of Easements on Subdivision Plat. There shall be reserved in favor of ~~the Declarant, and when the Declarant no longer is an Owner, in favor of~~ the Association, the easements shown on the plat of survey of the subdivision attached hereto as Exhibit A.

Section 9.3 Easement for Access to Common Areas. There shall be reserved in favor of ~~the Declarant, and when the Declarant no longer is an Owner, in favor of~~ the Association, an easement of access to all of the Common Areas; PROVIDED, HOWEVER, that the Declarant and/or the Association shall be entitled to dedicate and convey the Road System to the Commonwealth of Virginia or its designee, for inclusion in the State Highway System. Until such time as the Road System has been taken into the State Highway System, the Road System shall be maintained by ~~the Declarant until it is conveyed to the Association, and thereafter the Road System shall be maintained by~~ the Association.

ARTICLE X

Protective Covenants and Restrictions

Section 10.1 Use Limitations. No Lot shall be used except for residential purposes and no structures shall be erected thereon other than one detached single-family dwelling, and a one ~~or~~, two, ~~or three~~ car garage and usual outbuildings, if desired. ~~No dwelling containing less than 2000 square feet of heated living space, exclusive of basements, porches, patios, garages and carports, will be erected or placed on the property.~~ No commercial enterprise or trade (whether or not for

profit) shall be carried on upon the Property with the exception of home businesses that are permitted by applicable zoning regulations in single family residences, and which do not involve any in-person dealings with the public on the Property.

Section 10.2 Structures. The main dwelling must be constructed before the erection of any secondary building, and no structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used ~~on~~ at any time as a residence, either temporarily or permanently. Nevertheless, a permanent garage may be constructed before the main dwelling, and may be used as a temporary residence until the main dwelling is constructed. In the event that a garage is constructed then construction in the main dwelling must begin within ~~3-6~~ months thereafter and must be completed within ~~15-18~~ months from the beginning of construction. No basketball hoops and backboards, clotheslines, garbage cans, above ground storage tanks, mechanical equipment, and other similar items on Lots shall be permitted within the Property unless approved in accordance with ARTICLE XI of this Declaration.

Owners have the right to install solar energy collection devices on the roofs of homes, garages, and outbuildings without prior approval. However, ground arrays must be placed, and screened by landscaping, to minimize impact to the general appearance and operation of the community. The design, location and landscaping of a ground array shall require approval by the Architectural Committee before beginning installation.

Section 10.3 Docks and Piers. No boathouse or any other over-the-water structures, except erosion control structures and one pier or dock per Lot, shall be erected at a Lot, either upon the Lot itself or adjoining any Lot without prior review by the Architectural Committee. The size and location of any such pier or dock shall be subject to criteria as may be promulgated by the Architectural Committee. ~~No structure of any type shall be allowed on any pier or dock other than a boat lift meeting such criteria as may be promulgated by the Architectural Committee.~~

Section 10.4 Nuisances. No portion of the property outside of enclosed structures shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any portion of the property that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. Notwithstanding the foregoing, however, reasonable alarm or security system emissions shall be permitted. No noxious or illegal or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Property. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way noxious, dangerous, unsightly, unpleasant, or a nature as may diminish or destroy the

enjoyment of the Property. No outside burning of ~~wood, leaves,~~ trash, garbage or household refuse shall be permitted within the Property.

Section 10.5 Animals. No animals, livestock or poultry of any kind shall be maintained on any Lot or in any house or outbuildings, except that dogs, cats or other usual and common household pets not to exceed a total of 5 may be permitted on each Lot. However, those pets which are permitted to roam free, or in the sole discretion of the Association, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the other owners shall be removed upon request of the Board of Directors; if the Owner fails to honor such request, the pet may be removed by the Board of Directors. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs shall at all times whenever they are outside be confined on a leash held by a responsible person.

Section 10.6 Fences. Fence material and design are subject to approval of the Architectural Committee. Any fence built on any of the described Lots shall be maintained in a proper manner so as to not detract from the value and desirability of surrounding property, however, no fencing or buildings will be allowed on any docks, piers, or jetties. ~~No fences shall be permitted inside the RPA.~~ -NO chain link fencing of any type will be allowed.

Section 10.7 House Trailers: Temporary Structures. No house trailers, mobile homes, double-wide homes or similar appearing structures shall be permitted at anytime. Nor shall a tent, garage, shack, barn, or other outbuilding erected on this property be anytime used as a residence, either temporarily or permanently. No structure of a temporary character shall be used as a residence. A self-contained mobile home vehicle may be parked upon a lot for not more than eight (8) days per annum but may not be used as a temporary residence.

Section 10.8 Subdivision: Timesharing.

(a) No Lot or Lots can be re-subdivided individually or collectively, although Lots may be combined or merged. If Lots are combined or merged, they shall not be considered to be one Lot for purposes of assessments and voting shall not thereafter be categorized as one original Lot under this Declaration.

~~Notwithstanding the forgoing, Declarant may plat or re-plat any Lot or Lots owned by Declarant. Any such division, boundary line change, or re-platting shall not be in violation of the applicable subdivision and zoning regulations.~~

(b) No Lot shall be made subject to any type of timesharing, fraction-sharing or similar program whereby the right to exclusive use of the Lot rotates among members of the program on a fixed or floating time schedule over a period of years.

Section 10.9 Maintenance of Lots. All Lots, improved or unimproved, shall be maintained in a neat and slightly manner at all times, with grass mowed and brush, leaves, fallen wood and limbs removed. It shall be the responsibility of each

Owner to prevent the development of any unclean, unhealthy, or unkempt condition on his or her Lot. The pursuit of hobbies or other activities, including, specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Property.

Section 10.10 Garbage. Trash, garbage and refuse shall be kept in a storage area, screened from view by appropriate planting or screening, and shall be removed from the Lot no less frequently than weekly during those time when the Lot is occupied.

Section 10.11 Antennas. Except to the extent otherwise permitted by applicable law, and in any such case subject to such rules and regulations as ~~the Declarant or~~ the Association lawfully may promulgate, no exterior antennae, aerials, satellite dishes, or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall be placed, allowed or maintained upon any portion of the Property, including any Lot, without the prior written consent of the Board of Directors or its designee. Each lot may install no more than three small, residential-scale antennae for television reception and internet connectivity without prior approval by the Association. The ~~Declarant and the~~ Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all or a portion of the Property, should any such master system or systems be utilized by the Association and require any such exterior apparatus.

Section 10.12 Signs. No signs of any type shall be placed or displayed on any Lot, except entry and directional signs installed by ~~Declarant the Association~~ and those signs commonly used in the resale of a Lot installed by and Owner. The Architectural Committee shall promulgate regulations governing the size, color, lettering and placement of permitted signs. The Association ~~and the Declarant~~ shall have the right to erect signs they, in their discretion, deem appropriate. Notwithstanding the foregoing, no signs, flags, banners or similar items advertising or providing directional information with respect to activities being conducted outside the Property shall be permitted within the Property.

Section 10.13 Parking: Prohibited Vehicles: Protective Vehicle Covers.

(a) Vehicles owned, leased or operated by an Owner or an occupant or guest of an Owner or occupant shall be operated only on the streets and drives designated by ~~the Declarant or~~ the Association for vehicular traffic, and shall be parked only within the bounds of the Owner's Lot, in each case subject to such reasonable rules and regulation as the Architectural Committee may adopt. The ~~Declarant and the~~ Association may designate certain on-street parking areas for visitors or guests subject to such reasonable rules. No "ATV's" (all terrain vehicles), gokarts, go-peds or similar unlicensed motorized vehicles shall be operated anywhere on the Property, although they may be stored within an enclosed garage.

(b) Commercial vehicles, vehicles with commercial writing on their exteriors (other than personal motor vehicles with magnetic commercial placards no larger than four square feet in aggregate), vehicles primarily used or designed for commercial purposes, tractors, and landscaping equipment (e.g., riding mowers), mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages or areas, if any, designated by the Architectural Committee.

Recreational vehicles, trailers, campers, and boats and other watercraft on trailers may be parked on private property so long as they are in good working order and not unsightly. Only one such vehicle shall be parked on any one lot at one time. Small watercraft, such as kayaks, canoes, and rowboats, may be stored on the property on an outdoor rack, as approved by the Architectural Committee, or on a dock.

Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted on the Property except within enclosed garages. For purposes of this Section, a vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen (14) consecutive days without prior written approval of the Architectural Committee.

Notwithstanding the foregoing, service and delivery vehicles may be parked in the Property during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Areas. Any vehicle parked in violation of this Section or parking rules promulgated by the Architectural Committee may be towed in accordance with the Bylaws.

(c) All covers for automobiles, watercraft and other vehicles shall be aesthetic and neutral and muted in color and design.

Section 10.14 Occupants Bound. All provisions of the Declaration, Bylaws and of any rules and regulations or use restrictions promulgated thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Owner. Every owner shall cause all occupants of his or her Lot to comply with the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Lot are fully liable and may be sanctioned for any violation of the Declaration, Bylaws and rules regulations adopted pursuant thereto.

Section 10.15 Violations. Upon violation of any restriction or condition or breach of any of the covenants contained herein, ~~the Declarant, or its successor,~~ the Association, in addition to all other remedies, shall have the right to enter upon the

land upon or as to which such violation or breach exists, and summarily to abate and remove, at the sole expense of the Owner thereof, any building, including outbuilding, or structure, thing or condition that may be or exist thereon contrary to the intent and meaning of the above terms and conditions of these covenants, and in such event, neither ~~the Declarant, its successor,~~ the Association, or any member thereof, shall be deemed guilty of any manner of trespass for such entry, abatement or removal. There shall be added to such assessment, delinquent fee and interest, the costs of preparing and filing Complaint in such action and in the event that Judgment is obtained, such Judgment shall include reasonable attorney fees together with the costs of the action. Such assessment shall be a lien on the affected Lot which may be collected and enforced in the manner provided herein for general assessments.

ARTICLE XI

Architectural Committee

Section 11.1 No ~~landscaping, planting of shrubbery or other landscaping,~~ building, boundary, ~~retaining wall,~~ fence ~~or well,~~ road, driveway, pier, riprap, jetty, garage, storage shed, guest house, or other structure of any kind shall be commenced, erected, placed or altered on or extending from a Lot until the plans and specifications showing the nature, kind, shape, height, dimensions, materials, exterior color scheme and location of such structure shall have been submitted to and approved in writing by the Architectural Committee; provided that if the Committee shall fail to approve or disapproved any proposed plans, specifications or location within ~~forty fivethirty (4530)~~ days after ~~a complete and accurate set of plans and specifications for same shall they~~ have been submitted to it for approval, such plans and specifications shall be deemed to have received the approval of the Architectural Committee. No fences, landscaping, earthworks, or other structures that hinder the view of the water from neighboring lots shall be permitted inside the RPA, except for indigenous vegetation already naturally present on the lot, or new plantings required by law to preserve riparian buffers.

Sectional 11.2 All building and other structures constructed on any portion of the Property shall be built in accordance with reasonably detailed and complete plans and specifications approved by the Architectural Committee. In addition to any other plans and specifications that the Architectural Committee may require an Owner to submit, each Owner shall submit elevation drawings to scale showing proposed location of the building or other structure in relation to the Lot's road and waterfront (if applicable) frontages. The Architectural Committee shall approve plans, specifications or locations, which are compatible with the establishment and maintenance of a first-class waterfront, single-family residential community, and shall have the right to disapprove any plans, specifications or locations which ~~in its opinion, are not suitable or desirable for aesthetic or any other reasons for the establishment and maintenance of such a community~~ do not meet published architectural review guidelines. Among other relevant considerations, the Architectural Committee shall take into consideration the suitability of the proposed

building or other structure, the material of which it is to be built, the suitability of the proposed building or other structure, the materials of which it is to be built, the site upon which it is proposed be erected, the harmony of such a building or other structure with its surroundings, and the effect of the building or other structures, as planned, on the outlook and view from the adjacent or neighboring Lots. The Architectural Committee shall promulgate such standards and guidelines for reviewing and approving such plans, specifications and locations as may be appropriate.

Section 11.3 The Architectural Committee shall have the broadest discretion permitted by law in the administration of the controls imposed herein, and anything herein contained to the contrary notwithstanding, the Committee shall have full authority to waive, modify or amend any requirement herein contained if, in the determination of the Committee, such waiver, modification or amendment would result in more desirable, harmonious and attractive development of the subdivision. Any waiver, modification, or amendment to the requirements hereunder shall not be deemed to allow any future waiver, modification, or amendment.

Section 11.4 The ~~Declarant shall appoint the sole member of the initial Architectural Committee until the Declarant has sold and conveyed at least half of the Lots in Highland Place. Thereafter, the~~ Architectural Committee shall have three members, ~~at least two of which shall be Owners. During such time as the Declarant continues to be an Owner, the Declarant shall appoint one of the members of the Architectural Committee, and such member shall serve at the pleasure of, and be replaceable only by, the Declarant.~~ The Board of Directors of the Association shall appoint the other two members of the Architectural Committee until the Declarant is no longer an Owner, at which time the Board of Directors shall appoint all three members of the Architectural Committee. ~~The members of the Architectural Committee, other than any member appointed by Declarant who,~~ shall serve for such terms and on such conditions as provided by the Bylaws. When Architectural Committee action is required, notice thereof shall be hand delivered ~~or,~~ mailed or emailed to each member, or to such other place as the Architectural Committee members shall designate. A simple majority of the members of the Architectural Committee shall be binding in case of a dispute. No charge of any kind shall be exacted y the Architectural Committee from any Owner of a Lot for services performed pursuant to these covenants.

Section 11.5 In the event of the death, disability or resignation of any member of the Architectural Committee, the remaining members shall have and may exercise all the rights and authority of the Architectural Committee. Any such vacancies on the Architectural Committee shall be filled by ~~the Declarant, in the case of any member which Declarant is entitled to appoint, or otherwise by~~ the Board of Directors.

Section 11.6 Any building or other structure, once begun, shall be completed in a timely and diligent manner, and no unfinished building or other structure shall be abandoned or shall the work thereon cease for any unreasonable period of time.

For purposes of the foregoing sentence, work on a building or structure shall be deemed to have ceased for an unreasonable period of time if the building permit for such building or structure shall lapse or terminate on account of the Owner's failure to complete sufficient work to satisfy the Northumberland County's requirements. The occurrence of such and event shall give the Association the right (i) to proceed in a suit in equity in a court of competent jurisdiction in Northumberland County to compel completion of the unfinished building or structure, or the demolition and removal of same, at the expense of the Owner of the Lot, and/or (ii) to proceed with the completion of the unfinished building or structure, or the demolition and removal of same, in either case at the expense of the Owner of the Lot, after giving the Owner written notice at least 30 (30) days before commencing any such work. If the Association shall obtain a judgment under clause (i) above and the Owner shall fail for any reason to comply with such judgment, then the Association may proceed to perform the work required by the judgment. In any case where the Association incurs any expense for any work or for enforcing the provisions of this Section 11.6 (including, without limitation, court costs and/or attorneys' fees), the Association may file in the land records of Northumberland County a Notice of Lien specifying the expense incurred, and the Notice, when properly recorded, shall constitute a lien upon the Lot to secure the payment of such expense, with interest thereon at the rate of ten percent per annum from the date incurred until paid.

Section 11.7 In the event of a breach or violation of any of these restrictions by any Owner, the Association, its successors and assigns, and the Lot Owners, or any of them jointly and severally, shall have the right to proceed at law or in equity to compel a compliance with the terms hereof or to prevent the violation or breach of any of them. In any such case, the prevailing party shall be entitled to recover all of its costs in connection with such legal proceedings, including, without limitation, court costs and attorneys' fees.

Section 11.8 Declarant Exempt. This Article shall not apply ~~to the activities of the Declarant, nor~~ to construction or improvements or modifications to the Common Area by or on behalf of the Association.

Section 11.9 Right to Inspect. Any member of the Architectural Committee or their representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any Lot, the Common Area, or any other portion of the Property, to inspect for the purpose of ascertaining whether or not these restrictive covenants have been or are being complied with. Such person or persons shall not be deemed guilty of trespass by reason of such entry. In addition to any other remedies available to the Association, in the event of noncompliance with this Section, the Association may record in the appropriate land records a notice of violation naming the Owner and describing the property and nature of the violation.

Section 11.10 No waiver of Future Approvals. The approval of the Architectural Committee of any proposals, plans, specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval of the Architectural Committee, shall not be deemed to constitute a waiver

of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 11.11 Variance. The Architectural Committee may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations, and county, state, and federal law. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of the Declaration or (c) estop the Architectural Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 11.12 Compliance with Guidelines. Any contractor, subcontractor, agent employee or other business invitee of an Owner who fails to comply with the terms and provisions of the guidelines and procedures promulgated by the Architectural Committee may be excluded by the Association from the Property without liability to any person, subject to the notice and hearing procedures contained in the Bylaws.

Section 11.13 No Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the Architectural Committee shall not bear any responsibility of ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither ~~the Declarant~~, the Association, the Board of Directors, any committee, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications on any Lot.

ARTICLE XII

Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. All of or any part of the Common Area may be conveyed in lieu of and under threat of condemnation, to any authority having the power of condemnation or eminent domain, by the Board of Directors acting on the written direction of ~~(a) Owners representing a simple majority of all lots at least sixty-seven (67%) percent of the total Class A vote in the Association, and (b) the Declarant, as long as the Declarant owns any portion of the Property.~~ The award made for such taking (or the consideration received for a conveyance in lieu of and under threat of

condemnation) shall be payable to the Association as trustee for all Owners, to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking ~~the Declarant, so long as the Declarant owns any part of the Property, and~~ Owners representing at least seventy-five (75%) percent of the total ~~Class A~~ vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefore, in accordance with plans approved by the Association. If such improvements are to be repaired or restored, the above provisions in ARTICLE VIII hereof regarding the disbursements of funds in respect to casualty damage or destruction which is to be repaired shall apply.

If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be retained by and for the benefit of the Association and placed in a capital improvements account and disbursed only for capital improvements.

ARTICLE XIII

General Provisions

Section 13.1 Duration: Amendments. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of, and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of ~~Ten-five (105)~~ years each, unless prior to any such extension at least ~~ninety-seventy-five (8075)~~ percent of the then Owners (one vote per Lot) execute a document providing that such extension shall not occur, in which case this Declaration shall terminate as of the then-current then (10) year period. Any such termination, however, shall not be effective until it shall have been recorded in the Office of the Clerk for the Circuit Court of Northumberland County.

Section 13.2 This Declaration may be amended by a document executed by the then Owners of not less than seventy-five percent (75%) of the Lots (one vote per Lot) and recorded among the land records for Northumberland County; provided, however, amendments to the following provisions shall require the consent of all Owners: (i) any amendment changing the allocation of votes among the Lots; (ii) any amendment changing the procedure or basis for levying any assessments contemplated hereunder (including, without limitation, the percentage of such assessments payable by each Owner); (iii) any amendment changing the status or use of any of the Common Areas; ~~and (iv) any amendment~~

~~terminating or otherwise materially and adversely affecting any rights of the Declarant.~~

Section 13.3 Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent if hand delivered, emailed to an attended email address, or mailed, postage prepaid, to the last known address of such Owner on the records of the Association at the time of such mailing.

Section 13.4 Withdrawal of Property. ~~Declarant reserves the right to amend this Declaration unilaterally at any time it continues to own Lots 7 and 8, without prior notice and without the consent of any Owner or other person, for the purpose of removing Lots 7 and 8 from the provisions of the Declaration Deleted.~~

Section 13.5 Severability. Any invalidation of any one or more of the covenants, restrictions, conditions and agreements herein contained, or any part or parts thereof, by judgment or Court order, shall not affect any of the other provisions hereof, which will remain in full force and effect.

Section 13.6 No Partition. Except as is permitted in this Declaration or any amendments hereto, there shall be no judicial partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Property or any part thereof seek any judicial partition unless the Property have been removed from the provisions of this Declaration. This Section shall not be construed to prohibit the Association from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Section 13.7 No Waiver by Virtue of Non-Enforcement. The failure by ~~the Declarant~~, the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XIV

Joinder by Trustees

~~As directed by the Beneficiary, the Trustees join in this Declaration for the sole purpose of evidencing the consent of the Beneficiary and the Trustees hereto, and to subordinate the lien of the Deed of Trust to the provisions for this Declaration.~~