

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

THE GROVE

98 NOV-2 15

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE GROVE, made as of this 30th day of October, 1998, by THE GROVE, L.P., a Virginia limited partnership, recites and provides as follows:

RECITALS

The Declarant is the fee simple owner of certain real property located in Chesterfield County, Virginia (the "County") referred to as Hawkin's Wood at The Grove - Section 1, and more particularly described in Exhibit "A" attached hereto and made a part hereof, which real property, together with such additions thereto as may hereafter be subjected to this Declaration pursuant to Article XIII hereof, is hereinafter referred to as the "Subdivision". Declarant desires to provide a common scheme of development, a high and consistent quality of maintenance of all common area and private property within and throughout the Subdivision and an organization to facilitate all of the foregoing.

DECLARATION

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property which is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) 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 and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors, successors in title, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

1.01. Additional Land. "Additional Land" shall mean and refer to those tracts or parcels of land described in Exhibit "B" which may be added to the Subdivision pursuant to Article XIII.

1.02. Area of Common Responsibility. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Declaration, any Supplemental Declaration or other applicable covenants, or by

FILE TO SOUTHERN TRUST
INSURANCE CORPORATION

WILLIAMS, MULLEN, CHRISTIAN & DOBBINS
J. BOX 1320
RICHMOND, VIRGINIA 23210-1320

contract or agreement with any Neighborhood, become the responsibility of the Association. In addition to Common Areas, Areas of Common Responsibility shall include, without limitation, any landscape easements located on Lots, all sidewalks within the Subdivision, all fencing and signage owned or to be owned by the Association, and storm water retention ponds and dams located within the Subdivision.

1.03. Association. "Association" shall mean and refer to The Grove Homeowners Association, its successors and assigns.

1.04. Board of Directors. "Board of Directors" of the Association shall initially be appointed by the Declarant during the Declarant Control Period and then after the expiration of the Declarant Control Period, elected by the members of the Association.

1.05. Common Area. "Common Area" shall mean and refer to all real property and improvements owned or to be owned by the Association and intended to be devoted to the common use and enjoyment of the Owners in accordance with the provisions of this Declaration.

1.06. Declarant. "Declarant" shall mean and refer to The Grove, L.P., a Virginia limited partnership, which is the Declarant herein, together with any successors and assigns to all or substantially all of its business of developing the Subdivision. Declarant may designate a successor Declarant (or Declarants) to take or hold some or all of its respective rights, powers, privileges and obligations as Declarant under this Declaration by written instrument recorded in the Clerk's Office, Circuit Court, Chesterfield County, Virginia. The Association and the Owners shall not enjoy any of the rights, powers, privileges or obligations of the Declarant unless specifically granted or assigned by this Declaration or by written instrument executed by the Declarant and recorded in the Clerk's Office.

1.07. Declarant Control Period. "Declarant Control Period" is defined as the period commencing on the date this Declaration is recorded in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, and ending on the earlier to occur of (i) December 31, 2008, (ii) when seventy-five percent (75%) of the Lots permitted by zoning approval for the Subdivision have certificates of occupancy issued for the residences constructed thereon and have been conveyed to parties other than the Declarant or builders holding title solely for the purpose of construction and resale, or (iii) when the Declarant voluntarily terminates the Declarant Control Period.

1.08. Declarant's Utility Rights. "Declarant's Utility Rights" is defined as the exclusive, alienable and assignable

rights, powers, easements and privileges hereby reserved by the Declarant to go on, over, under and upon every portion of the Common Area and the Recreational Facilities except those portions upon which structures have been erected, to erect, lay, implant, construct, maintain, extend, use and repair electric, television and telephone poles, wires, cables, and conduits, drainage ways, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, water, sewer, drainage and other public and private conveniences and utilities. These rights include the right to cut any trees, bushes or shrubbery, and the right to make any gradings of the soil or take any similar action reasonably necessary to provide and extend economical and safe installation and maintain reasonable standards of health safety and appearance. The Declarant's Utility Rights shall also include the exclusive and alienable right to sell, grant and convey or dedicate roadways and other means of vehicular and pedestrian ingress and egress throughout the Subdivision. The Declarant's Utility Rights are and shall be in addition to all other easements reserved herein and upon any subdivision plat or other easement agreement.

1.09. Improved Lot. "Improved Lot" is defined as a Lot upon which a residence has been substantially completed. A residence shall be deemed to be substantially completed upon the earlier to occur of (i) the issuance of a temporary or final certificate of occupancy for the residence, or (ii) twelve (12) months from the date that a building permit for the residence is issued.

1.10. Lot. "Lot" shall mean and refer to any lot shown upon any subdivision plat approved by the County of Chesterfield, Virginia and recorded in the Clerk's Office which effects a subdivision of any land in the Subdivision.

1.11. Lot Owner or Owner. "Lot Owner" or "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot in the Subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.12. Neighborhood. "Neighborhood" shall mean and refer to each separately developed residential area comprised of one (1) or more housing types subject to this Declaration, whether or not governed by an additional owners association, in which owners may have common interests other than those common to all Lot Owners. For example, and by way of illustration and not limitation, each condominium, townhome development, cluster home development, and single-family detached housing development may constitute a separate Neighborhood.

1.13. Neighborhood Assessments. "Neighborhood Assessments" shall mean assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses.

1.14. Neighborhood Association. "Neighborhood Association" is defined as any homeowners or condominium association created by or in accordance with Neighborhood Restrictions.

1.15. Neighborhood Expenses. "Neighborhood Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the benefit of Owners of Units within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein.

1.16. Neighborhood Restrictions. "Neighborhood Restrictions" is defined as any instrument recorded in the Clerk's Office imposing a scheme of restrictions, easements, rights and covenants upon the property within a Neighborhood. All Neighborhood Restrictions shall be subordinate and inferior to this Declaration. No Neighborhood Restrictions shall alter the provisions of this Declaration, but shall only be in addition to this Declaration. Any provision contained in Neighborhood Restrictions which is in conflict with this Declaration shall be void and of no effect at its inception. Neighborhood Restrictions may provide for the creation of a Neighborhood Association to oversee and govern that Neighborhood and may impose assessments for maintenance and management of that neighborhood; provided, however, such assessments shall be in addition to the assessments imposed by this Declaration and payment of assessments to a Neighborhood Association imposed by Neighborhood Restrictions shall not in any way constitute or be credited towards the payment of assessments imposed by this Declaration. Additionally, any lien created for such assessments shall be inferior and subordinate to any lien created by this Declaration, unless Virginia law requires otherwise.

1.17. Recreational Facilities. "Recreational Facilities" is defined as any swimming pool, clubhouse or any other indoor or outdoor, recreational or leisure facility including parking facilities and other properties contiguous or adjacent thereto, for the use, enjoyment and benefit of Owners, which shall be constructed within the Subdivision by the Declarant at its sole discretion, and designated as "Recreational Facilities" on a plat recorded in the Clerk's Office.

1.18. Subdivision. "Subdivision" shall mean and refer to the subdivision as shown on the Subdivision Plat, together

with such portions of the Additional Land as may be added to the Subdivision pursuant to Article XIII.

1.19. Subdivision Plat. "Subdivision Plat" shall mean and refer to the subdivision plat for the Subdivision recorded in the Clerk's Office, together with any plat hereafter filed for record in connection with any subsection of Additional Land to the provisions of this Declaration pursuant to Article XIII.

1.20. Supplemental Declaration. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration executed by or consented to by Declarant which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

ARTICLE II

COMMON AREA USE AND MAINTENANCE

2.01. Lot Owners' Easements. Every Lot Owner is granted and shall have a right and easement to use and enjoy the Common Area which shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any facility which may be situated upon the Common Area from time to time;

(b) The right of the Association to suspend a Lot Owner's voting rights and right to use any of the Common Area for any period in which the Lot Owner is in default in the payment of any assessment against his Lot or take such other action as may be provided under the Act or in accordance of law. Additionally, such rights may be suspended by notice from the Board of Directors for a period not to exceed sixty (60) days for any single and nonrecurring infraction of the Association's published rules and regulations or breach of or default under any of the covenants or provisions of the Declaration. If any such infraction, breach or default is continuous or recurring, then such rights may be suspended for a period commencing on the date the Lot Owner is given notice of the cause for such suspension and ending not more than sixty (60) days after the date such infraction, breach or default ceases or is remedied. However, nothing contained in this subsection shall be construed to permit the Association to deny a Lot Owner direct access to his Lot or to deny a Lot Owner the right to use any sidewalk in the Subdivision;

(c) The Declarant's Utility Rights;

(d) The right of the Association, subject to the Declarant's Utility Rights, to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer by the Association, except for the dedications or transfer of utility easements by the Association or any dedication or transfer made in the exercise of the Declarant's Utility Rights, shall be effective unless approved by more than two-thirds (2/3) of the votes entitled to be cast by all of the members of the Association; and

(e) The rights of parties holding rights under easements reserved.

2.02. Declarant's Marketing Rights. Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Lots shall continue, it shall be expressly permissible for Declarant and Declarant hereby expressly reserves an easement to maintain and carry on upon portions of the Common Area and Lots which it owns such facilities (including sales and business offices, model units and sales and marketing pavilions) and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of property with The Grove, and the Declarant shall have an easement for access to such facilities.

2.03. Maintenance of Common Areas. No dumping of trash, garbage, sewage, sawdust, refuse of any kind, including construction debris, or any unsightly or offensive materials (except in receptacles placed for such purpose) shall be permitted or placed upon the Common Area except as is temporary and incidental to the bona fide improvement as Common Area.

2.04. No Public Rights. The granting of the easements in the Common Area in this Article in no way grants to the public or the owners of any land outside of the Subdivision the right to enter any part of the Common Area; provided, however, notwithstanding anything contained herein to the contrary, the public shall have the right to use all sidewalks located in the Subdivision and the County shall be expressly granted an easement with respect thereto. The creation of the Common Area in no way shall be deemed or construed to be a dedication of such areas for the general public welfare or use except by the Declarant's written approval.

2.05. Delegation of Use. Any Lot Owner may delegate in accordance with the By-Laws, his right of enjoyment to the Common

Area and facilities thereon to the members of his family or contract purchasers who reside on the Lot, and his guests when accompanied by the Lot Owner.

ARTICLE III

RECREATIONAL FACILITIES

3.01. Purpose. The Declarant shall construction certain Recreational Facilities, including a swimming pool and clubhouse, for the use and enjoyment of all Lot Owners, when, in the sole discretion of the Declarant, there are sufficient Lot Owners to support such Recreational Facilities. Upon completion, Declarant shall convey the Recreational Facilities to the Association. If the Declarant or the Association is the owner of the Recreational Facilities, only Lot Owners, who are current in the payment of all assessments applicable to them, including the Recreational Facilities assessment, if any, shall have a right to use the Recreational Facilities. The owner of the Recreational Facilities, whether the Declarant or the Association, may extend the right to use the Recreational Facilities to the other groups or persons, on a month to month or year to year basis, by charging a membership fee for such use in an amount deemed appropriate by the owner of the Recreational Facilities, provided such fee is not less than the fee, charge or Recreational Facilities assessment imposed upon Lot Owners.

3.02. Lot Owners' Enjoyment. Every Lot Owner, by virtue of ownership of a Lot and payment of all Recreational Facilities assessments, if any, imposed by the Association (as described hereinafter) or similar assessments or charges imposed by the Declarant if the Recreational Facilities are owned by the Declarant shall have a right to use the Recreational Facilities subject to the following provisions:

(a) The right to charge reasonable admission and other fees for the use of any portion of the Recreational Facilities;

(b) The right to suspend a Lot Owner's right to use the Recreational Facilities for any period in which the Lot Owner is in default in the payment of any assessment against his Lot, or other assessment or charge for the right to use the Recreational Facilities. Additionally, if the Recreational Facilities are owned by the Association, such rights may be suspended by notice from the Board of Directors for a period not to exceed sixty (60) days for any single and non-reoccurring infraction of the Association's published rules and regulations or breach of or default under any of the covenants or provisions of this Declaration. If any such infraction, breach or default is

continuous or reoccurring, then such rights may be suspended for a period commencing on the date the Owner is given notice of the cause for such suspension and ending not more than sixty (60) days after the date such infraction, breach or default ceases or is remedied;

(c) The Declarant's Utility Rights; and

(d) The right of the Declarant and the Association, subject to the Declarant's Utility Rights, to transfer and convey all or any part of the Recreational Facilities to a private party, for a price and upon such terms and conditions as may be agreed to by the Declarant or the Association, including termination of the rights granted in this Article. If the Recreational Facilities are owned by the Association, no such transfer or conveyance made by the Association after the expiration of the Declarant Control Period shall be effective unless approved by more than two-thirds (2/3) of the votes entitled to be cast by all Lot Owners.

3.04. Delegation of Use. Any Lot Owner may delegate, in accordance with the By-laws, his right to use Recreational Facilities to the members of the Lot Owner's family and contract purchasers who reside on the Lot.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

4.01. Members. Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

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

Class A. Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant, which, during the Declarant Control Period, shall be entitled to three (3) votes for each Lot owned.

4.03. Declarant Control. During the Declarant Control Period, the Declarant shall have the sole and absolute right to appoint in its sole and absolute discretion the members of the Board of Directors.

4.04. Management. The affairs of the Association shall be managed by its Board of Directors which shall elect the officers of the Association. The Association shall have the power to hire a professional manager to perform for a fee all functions of operation and management on behalf of the Association. Any contract, which may or may not be with the Declarant or any affiliate of Declarant, shall provide that the contract may be terminated with cause on not more than thirty (30) days written notice and without cause on no more than ninety (90) days' written notice; and the contract must be terminable without payment of a termination fee.

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS

5.01. Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges, (b) Neighborhood Assessments, if any, (c) special assessments for capital improvements, (d) if separately assessed, Recreational Facilities assessments; (e) assessments for the Sidewalk Fund more particularly described in §5.07 of this Declaration; and (f) such other assessments as may be hereinafter provided. All assessments shall be established and collected as hereinafter provided. The assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who is the Owner of such Lot at the time when the assessment falls due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

5.02. Purpose of Assessments. The assessments levied by the Association shall be used (a) to promote the general appearance of the Subdivision, (b) for the improvement and maintenance of all Areas of Common Responsibility, specifically including costs and escrows in an amount acceptable to the County for the maintenance and repair of sidewalks, and (c) for such other purposes as may be approved by the Board of Directors.

5.03 ? Recreational Facilities Assessments. If a separate Recreational Facilities assessment is imposed, the Recreational Facilities assessment shall be used exclusively to maintain, manage, repair, improve, staff, control, insure and operate the Recreational Facilities and the establishment of reserves therefor.

5.04. ? Determination of Annual Assessment. The Board of Directors of the Association may, in its sole discretion, fix the annual assessment; however, in no event shall such assessment exceed an amount to be determined as follows:

(a) The annual assessment shall be fixed by the Board of Directors in accordance with a budget prepared and approved by the Board of Directors. Until January 1 of the year immediately following the conveyance of the first Improved Lot to an Owner, the maximum annual assessment shall be Three Hundred Dollars (\$300) per Lot.

(b) From and after January 1 of the year immediately following the conveyance of the first Improved Lot to an Owner, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership; provided, however, if the Recreational Facilities are conveyed to the Association and the Association elects not to impose a separate Recreational Facilities Assessment, then the annual assessment may be increased as necessary to provide adequate funds for the operation and maintenance of the Recreational Facilities without a vote of the membership.

(c) From and after January 1 of the year immediately following the conveyance of the first Improved Lot to an Owner, the maximum annual assessment may be increased above 10% at a meeting duly called for such purpose by a vote, in person or by proxy, of two-thirds (2/3) of each class of members.

(d) If a Recreational Facilities Assessment is imposed, after the initial determination of the assessment, the assessment may be increased according to the procedures set forth in (b) and (c) above, except any Recreational Facilities budget approved by the Board of Directors and resulting in a Recreational Facilities assessment which is more than ten percent (10%) greater than the Recreational Facilities assessment for the preceding year shall automatically

go into effect unless it is disapproved by more than two-thirds (2/3) of each class of members at a meeting duly called to vote upon such increased assessment.

- (e) Notwithstanding anything contained in this Section 5.04, the annual assessment for the Sidewalk Fund may be increased according to the procedures set forth in Section 5.07 of this Article V.

? 5.05. Special Assessments for Capital Improvements. In addition to the annual assessments authorized in Section 5.04 of this Article, the Association may levy, in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of construction or reconstruction, unexpected repair or replacement of any capital improvement; provided that any such special assessment shall receive the assent, in person or by proxy, of two-thirds (2/3) of each class of members, at a meeting duly called for such purpose.

? 5.06. Neighborhood Assessments. The Supplemental Declaration adding any new Neighborhood to the Subdivision may place upon the Association the obligation to provide a higher level of service or special services for the benefit of Lots in that Neighborhood. The cost of any such services shall be assessed against the benefitted Lots, ratably and equally, as a Neighborhood Assessment which shall be the personal obligation of all Owners within the Neighborhood and a lien against all Lots and real property within the Neighborhood as set forth in Section 5.01 of this Article.

? 5.07 Sidewalk Fund. The Association shall establish a Sidewalk Fund to cover the cost to construct, repair, rehabilitate, resurface and otherwise maintain the Association's sidewalks; to provide for the maintenance and clean up of said sidewalks, including snow removal; and to provide and maintain drainage along said sidewalks. The annual assessment levied by the Association against the Owners shall include an initial contribution to the Sidewalk Fund of not less than \$2,500 for every mile of constructed sidewalk owned by the Association. These amounts shall be deposited by the Association into a separate Sidewalk Fund on or before December 31st of each year. The Board of Directors may increase the required annual assessment for the Sidewalk Fund upon a finding that such amounts are inadequate to accomplish the ends for which the Sidewalk Fund was established. In such event, the Board of Directors shall notify the Owners within ten (10) days of the date it votes to increase the required annual assessments for the Sidewalk Fund. Any amount remaining in the Sidewalk Fund at the end of any fiscal year shall remain in the Sidewalk Fund from year to year. If the balance in the Sidewalk Fund reaches an amount equal to 150% of the amount needed, as determined below, to completely

remove and replace all sidewalks owned by the Association, the Board of Directors shall be authorized, if it deems it to be in the best interests of the Association, to reduce for any one (1) year the required annual contribution to the Sidewalk Fund. If the Board of Directors decides to consider a reduction in required annual contributions to the Sidewalk Fund, the Board shall obtain three (3) bids from contractors, licensed by the Commonwealth of Virginia to perform sidewalk construction work, for complete removal and replacement of all sidewalks owned by the Association. The highest bid shall be used as the basis for determining the maximum amount of funds needed in the Sidewalk Fund.

5.08. Exempt Property. After the commencement of annual assessments as provided in Section 5.04 of this Article;

(a) no Improved Lot or other improved property shall be exempt from assessments; and

(b) Lots which are not Improved Lots shall be exempt from assessment until the earlier to occur of (i) twelve months after commencement of construction of the Improvements thereon (construction shall be deemed to have commenced upon the earlier to occur of (1) obtaining a building permit or (2) the initial preparation of a foundation), or (ii) the Lot becomes an Improved Lot.

5.09. Notice for Any Action Authorized Under Sections 5.04 or 5.05. Written notice of any meeting called for the purpose of taking any action authorized under Section 5.04 or Section 5.05 of this Article V shall be sent to all members not less than fourteen (14) days nor more than thirty (30) days in advance of such meeting.

5.10. Uniform Rate of Assessment. Annual, special, and Recreational Facilities assessments must be fixed at a uniform rate for all Lots and shall be collected on an annual basis or such other basis as shall be determined by the Board of Directors.

5.11. Date of Commencement of Annual Assessments; Due Dates. Prior to the commencement of annual assessments, all costs incurred in connection with the Areas of Common Responsibility shall be borne solely by the Declarant. The first annual assessments provided for herein shall commence as to all nonexempt property (as set forth in Section 5.08 of this Article) on the 1st day of the month following initial conveyance of an Improved Lot to an Owner. The first annual assessments shall be adjusted prorata according to the number of months then remaining in the fiscal year. Succeeding annual assessments shall commence

on the first day of each fiscal year. The first Recreational Facilities assessments, if any, shall commence as to all Improved Lots on the first day of the month following the date that the Recreational Facilities are conveyed to the Association. The Board of Directors shall fix the amount of the annual assessment against each Lot (if feasible, at least thirty (30) days in advance of each annual assessment period) and written notice thereof shall be sent to every Owner. The due dates shall be established by the Board of Directors; provided, however, until otherwise established by the Board of Directors, assessments shall be due and payable on an annual basis on January 31st of each year. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

5.12. Effect of Nonpayment of Assessments; Remedies of the Association. The Board of Directors shall have the right to establish reasonable late charges for any assessment not paid within thirty (30) days after the due date; provided, however, if such late charge shall ever be deemed to be in excess of that which is permitted by applicable law, interest shall accrue on such unpaid amount at the highest rate permitted by applicable law. Moreover, if any assessment, or any installment thereof, is not paid within thirty (30) days after the date upon which it is due, the Association may file a memorandum of lien in accordance with the requirements of Section 55-516 of the Code of Virginia, as amended, may initiate proceedings to foreclose the lien against the Owner's property to which it attaches and may bring an action at law against the Owner personally obligated to pay the same. The Association shall be entitled to collect all fees and costs of collection, including attorney's fees, and every Owner by accepting a Deed to property in the Subdivision, whether so expressed in the Deed or not, covenants and agrees to pay the same.

5.13. Subordination of the Lien to Mortgages. The lien for the assessments provided for herein, once perfected, shall be prior to all other subsequent liens and encumbrances except (a) real estate taxes on that Lot, (b) liens and encumbrances recorded prior to the recordation of the Declaration and (c) sums unpaid on and owing under any mortgage or deed of trust recorded prior to the perfection of said lien. Sale or transfer of any Lot shall not affect the assessment lien, except that the sale or transfer of any Lot pursuant to foreclosure on a first mortgage or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI

ARCHITECTURAL CONTROL

The Board of Directors and the Declarant shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committee established in Section 6.01 of this Article. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any property within the Subdivision. No construction, which term shall include within its definition, staking, clearing, excavation, grading, and other site work, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with this Article, until the requirements thereof have been fully met, and until the approval of the Architectural Control Committee has been obtained.

6.01. Architectural Control Committee. The Architectural Control Committee shall have exclusive jurisdiction over all original construction, modifications, additions or alterations made on or to all existing improvements and the open space, if any, appurtenant thereto, on all property within the Subdivision. It may prepare and, on behalf of the Board of Directors, may promulgate design and development guidelines and application and review procedures, all as part of The Grove Building Standards (the "Building Standards"). The Building Standards shall incorporate guidelines relating to development and construction contained in this Declaration as well as restrictions, guidelines and proffered conditions with respect to location and size of structures and other improvements, permissible materials and architectural style, etc. Copies shall be available from the Architectural Control Committee for review. The guidelines and procedures shall be those of the Association and the Architectural Control Committee shall have sole and full authority to modify and amend the Building Standards from time to time without the consent of any Owner. The Architectural Control Committee shall make the Building Standards available to Owners, builders, and developers who seek to engage in development of or construction upon property with the Subdivision, and such Owners, builders and developers shall conduct their operations strictly in accordance therewith.

6.02. Declarant to Retain Architectural Control. Until one hundred percent (100%) of all property within the Subdivision has been developed as Improved Lots, and conveyed to purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the Architectural Control Committee, which shall consist of at least two (2) but no more than five (5) persons. There shall be no surrender of this right prior to that time except pursuant to written instrument in recordable form executed by Declarant. Upon the expiration of

such right, the Board of Directors shall appoint the members of the Architectural Control Committee.

6.03. No Waiver of Future Approvals. The approval of the Architectural Control Committee of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such 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 subsequently or additionally submitted for approval or consent.

6.04. Variance. The Architectural Control Committee may authorize variances from compliance with any of the provisions of the Building Standards when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations require, but only in accordance with duly adopted rules and regulations. 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 this Declaration, or (c) prevent the 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.

6.05. Review and Control by Architectural Control Committee. No building, fence, garage, swimming pool or other structure shall be erected, placed or altered nor shall a building permit for such improvement be applied for on any unimproved property in the Subdivision until one (1) complete set of building plans (including elevations), specifications, exterior color and finish samples, site plan (showing the proposed location of such building, drives and parking areas), shall have been reviewed and approved in writing by the Architectural Control Committee. In reviewing such materials, the Architectural Control Committee shall consider such things as aesthetic appearance, harmony with surrounding improvements, compliance with this Declaration and any additional criteria adopted by the Architectural Control Committee as part of the Building Standards. Approval or disapproval of plans, locations or specifications may be based by the Architectural Control Committee upon any grounds incorporated within the Building Standards including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Architectural Control Committee shall be sufficient. If approval of such plans and specifications is neither granted nor denied within thirty (30) days following receipt by the Architectural Control Committee of written request for approval, the plans and specifications shall be deemed to be approved.

If any improvement is commenced or constructed without the approval of the Architectural Control Committee, then the Declarant and the Association shall have all rights and remedies under Article XI of this Declaration, including the right to seek (a) an injunction of any construction and (b) the removal or modification of any improvement constructed.

6.06. Modifications Committee. The Board of Directors may appoint a Modifications Committee to consist of at least two (2) and no more than five (5) members, all of whom shall be appointed by the Board of Directors. The Modifications Committee, if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to all Improved Lots and existing improvements. The Modifications Committee may promulgate standards and procedures governing its areas of responsibility and practice, consistent with the Building Standards. In addition, plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the Modifications Committee for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his residence, or to paint the interior of his residence any color desired. If the Modifications Committee fails to approve or to disapprove such plans or to request additional information reasonably required within thirty (30) days after submission, the plans shall be deemed approved.

ARTICLE VII

ENVIRONMENTAL COVENANTS

In order to protect the natural beauty of the vegetation, topography or other natural features within the Subdivision, the following environmental controls are hereby established.

7.01. Trees. To the extent reasonably practical, the clearing of mature trees on Lots shall be limited to those areas required to accommodate the residence to be constructed thereon and its normal and customary accessories, open front yard areas and those areas required to permit utility services and driveways. No trees measuring six (6) inches in diameter at a point two (2) feet above ground level which are located more than twenty (20) feet away from the residence or structure constructed

on the Lot, shall be removed without the prior written approval of the Architectural Control Committee.

7.02. Best Management Practice Facilities. The Declarant shall construct and locate certain retention ponds within the Subdivision as required by best management practices (the "BMPs") to control storm water runoff as required by the County. The Association shall provide maintenance for the BMPs serving the Subdivision to ensure that the BMPs are and remain in proper working condition in accordance with approved design standards and with applicable legal requirements, including both short-term maintenance such as routine grass cutting and litter pick-up and long-term maintenance such as the maintenance, repair and replacement of dams. The Declarant, its agents and contractors shall have an easement to enter upon any Lot and all Common Areas, whether improved or unimproved, for the purpose of inspecting, operating, installing, constructing, reconstructing, maintaining or repairing the BMPs and dams, as necessary.

7.03. Restrictive Covenant Related to Wetland Mitigation Area. It is expressly understood that the Subdivision will be subject to the terms and provisions of a Restrictive Covenant by Declarant (the "Wetlands Restrictive Covenant") which will place restrictive covenants on certain wetland mitigation areas to be located on the Additional Land. Declarant, and its successors and assigns, shall be bound by the terms of the Wetlands Restrictive Covenant which shall run with the Additional Land and shall bind and restrict the Owners of Lots in the Subdivision, provided, however, that any violation of the Wetlands Restrictive Covenant by an Owner of a Lot shall constitute a violation by that Owner alone and no other Owner or other party shall be deemed to be in violation thereof.

ARTICLE VIII

RESTRICTIONS APPLICABLE TO CONSTRUCTION

8.01. General Restrictions. All Lots shall be cleared of all underbrush, obnoxious vegetation and debris and shall at all times be maintained in a clean and sightly manner. All construction shall be conducted in a neat and orderly manner. Trash and debris shall not be permitted to accumulate upon any property within the Subdivision. Mud, debris or trash shall not be allowed to accumulate on any adjacent property or the adjacent streets. All contractors shall store all equipment, machinery and toilet facilities on the Lot in as inconspicuous a place as is practical. All improvements made on any Lot shall be in compliance with the Building Standards as well as all applicable laws, rules and regulations, including, without limitation, all state and local building, fire, health, safety, environmental

(including those with respect to erosion and sediment control) and zoning codes, ordinances and regulations.

8.02. Construction Period. All structures to be constructed upon any Lot must be completed within six (6) months after construction has commenced, unless such completion is impossible or highly impractical due to strikes, fires, national emergencies, natural calamities or other acts of force majeure. Commencement of construction shall be deemed to have occurred upon the excavation of a foundation. A residence shall be deemed to be completed upon the issuance of a certificate of occupancy therefor (without conditions except for those relating to completion of landscaping) by the County.

ARTICLE IX

USE RESTRICTIONS AND RULES

9.01. Use of Lots. No Lot shall be used except for residential purposes. Only one residence may be constructed on each platted Lot as recorded.

9.02. Signs. No sign of any kind shall be erected or maintained on any Lot prior to the completion of construction of houses on all Lots within the Subdivision except for signs provided or designated by the Declarant and, thereafter, without the approval of the Architectural Control Committee or except as may be required by law. If permission is granted, the Architectural Control Committee reserves the right to restrict the size, color and content of such signs. In addition, one sign of not more than two (2) square feet or as regulated and permitted by the County Code advertising the property for sale will be allowed on each Lot.

9.03. Livestock and Poultry. No live cattle, hogs, goats, livestock or poultry of any kind shall be allowed on any Lot, nor shall any noxious or offensive trade or activity be carried on thereon, nor shall anything be done thereon which shall be or become an annoyance or nuisance to a good residential neighborhood. Household pets may be kept on the Lot in reasonable numbers as pets for the sole pleasure and use of the occupants, but not for any commercial use or purposes.

9.04. Garbage. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers located or screened so as to be concealed from view of the neighboring Lots and the street.

9.05. External Lighting. No external lighting shall be installed or utilized on any property within the Subdivision which is of such character, intensity or location as to interfere

with the use, enjoyment and privacy of any Lot or owner in the near vicinity. No neon or flashing lights shall be permitted. All external lighting shall be approved by the Architectural Control Committee, as appropriate, as to size, location, color and intensity.

9.06. Antennae. No exterior antennas, aerials, satellite disks, or other apparatus for the transmission or reception of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained on any Lot or attached to or installed on the exterior portion of any building or structure on any Lot without the prior written consent of the Architectural Control Committee.

9.07. Artificial Vegetation, Exterior Sculpture and Similar Items. No artificial vegetation shall be permitted on the exterior of any Lot. No exterior sculpture, fountains, bird houses, bird baths or other decorative embellishments or other similar items shall be permitted unless approved by the Architectural Control Committee.

9.08. Resubdivision. No Lot shall be subdivided, partitioned in kind or its boundary lines otherwise changed, nor shall application for same be made to the County, or any court of the Commonwealth of Virginia, unless with the prior written consent of the Architectural Control Committee. However, the Declarant expressly reserves for itself, its successor and assigns, subject to the approval of the County, the right to replat or resubdivide any Common Area, Lot or other property owned by it in order to create a modified Lot or property and to take such other steps as are reasonably necessary to make such Lots and property suitable as a building site, including, but not limited to, relocation of easements, walkways and rights-of-way, or to remove gaps and gores between the property boundaries. This Section shall not be deemed to prohibit the combining of two (2) or more contiguous Lots into one (1) larger Lot, however, the resulting Lot, if combined by an Owner other than the Declarant, shall retain the vote and assessment unit, of two (2) lots combined.

9.09. Rules and Regulations. The Board of Directors is granted and shall have the power to promulgate rules and regulations, from time to time, governing the use of, and activity upon the Common Area. All rules and regulations promulgated by the Board of Directors shall be published and distributed to each member of the Association, at least thirty (30) days prior to their effective date.

ARTICLE X

EASEMENTS

10.01. Landscaping Easement. A landscaping easement for landscaping and natural areas is hereby reserved, for the benefit of all Owners, the Declarant and the Association, over, across and on the Common Area and any Lot in those areas identified or shown on any Subdivision Plat as a Landscape Easement, Planting Strip Easement, Buffer or similar designation. The use of any such landscaping easement shall be restricted in that there shall be permitted no improvements in any portion of such easement, including roads or structures, except to the extent necessary for utility easements, signage, any fencing or walls erected by the Declarant, and other purposes required by the County Planning Commission at the time of subdivision or plan of development approval or by any other governmental body, agency, commission, board, department or official of the County.

Existing vegetation and underbrush may be removed from the landscaping easement area, and if so removed, additional plantings may be added. Where the placement of utility easements within the landscaping easement area results in the inability to provide adequate screening within the landscaping easement area, additional plantings may be provided adjacent to the landscaping easement area to provide appropriate screening for uses on the property. In addition to the landscaping easement reserved hereby, the Declarant reserves for itself and the Association a perpetual easement to go over and upon such parts of the Common Area and the Lots as are subject to the landscaping easement for the purpose of effecting the maintenance, removal and planting as is permitted by this Section.

10.02. Easement for Utilities. Subject to the approval of the County, Declarant reserves unto itself, its successors and assigns, a perpetual easement and right on, over and under the streets and roads of the Subdivision and over the easement areas designated on the Plat to install, maintain and use underground electric, cable television and telephone wires, cables, conduits, drainage ways, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, drainage or other public conveniences or utilities as may be necessary or desirable to serve the Subdivision and any Additional Land being developed by Declarant.

These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance.

10.03. Easement for Hedges and Fences. Each Lot and its Owner are declared to have an easement and the same is granted by the Declarant, for encroachments on adjoining Lots or common Area, as the case may be, due to hedges or fences, if any, (which shall have been previously approved by the Architectural Control Committee, belonging to such Lot, to the extent such hedge or fence encroaches on adjoining Lots or Common Area, provided such encroachments do not exceed one (1) foot or interfere with the use of any improvements on the servient property. No such easement shall be created in favor of an Owner if the encroachment occurred due to the willful misconduct of the Owner.

10.04. Easement Related to Additional Land. The Declarant hereby expressly reserves an easement over, upon and across the Common Area for ingress to and egress from such Additional Land as may hereafter be annexed to the Subdivision pursuant to Article XIII. Such right of ingress to and egress from such Additional Land shall extend to the Declarant, its successors and assigns and their employees, agents and independent contractors. If damage is inflicted on any part of the Subdivision by any person or entity utilizing such easement, the person or entity so causing the same shall be liable for the prompt repair and restoration thereof.

10.05. Duties of the Association. In addition to all easements conveyed and reserved herein, there are reserved for the benefit of and granted to the Association such easements as may be necessary to perform the duties and obligations of the Association set forth in this Declaration.

10.06. Priority of Easements. Each of the easements hereinabove referred shall be deemed to have been established or reserved upon the recordation of this Declaration and shall henceforth be deemed to be easements and covenants running with the land for the use and benefit of the Lots and the Common Area, as the case may be, superior to all other encumbrances which may hereafter be applied against or in favor of the Subdivision or any portion thereof.

ARTICLE XI

ENFORCEMENT

11.01. Enforcement Rights. The Declarant and the Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Declarant or the Association to enforce any covenant or restriction herein contained shall not be construed or deemed a waiver of the right to do so thereafter. Notwithstanding anything to the contrary

herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these Bylaws, or the rules and regulations of the Association by self-help or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

11.02. Fines. The Board of Directors shall have the power to impose reasonable fines (not to exceed \$50 for a single offense or \$10 per day for any offense of a continuing nature), which shall constitute a lien upon the property of the violating Owner and which shall be deemed to be an assessment against the Owner's Lot for the purposes of giving to the Association the right to perfect and enforce such lien pursuant to the provisions of Section 55-516 of the Code of Virginia (as amended), and to suspend an Owner's right to vote for violation of any duty imposed under this Declaration, the By-Laws, or any rules and regulations duly adopted thereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. If any Owner or occupant of a Lot violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall be assessed against the Owner within the time period set by the Board of Directors, and the Owner shall pay the fine upon notice from the Association. The failure of the Board of Directors to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board of Directors to do so thereafter.

(a) Notice. Prior to imposition of any fine hereunder, the Board of Directors or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed fine to be imposed, (iii) a period of not less than fourteen (14) days within which the alleged violator may present a written request to the Board of Directors or its designee for a hearing; and (iv) a statement that the proposed fine shall be imposed as contained in the notice unless a challenge is begun within fourteen (14) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested in a timely manner, the hearing shall be held before the Board of Directors, or a committee thereof, affording the Owner a reasonable opportunity to be heard. Prior

to the effectiveness of any fine imposed hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the fine, if any, imposed. The Board of Directors may, but shall not be obligated to, suspend any proposed fine if the violation is cured within the fourteen (14) day period. Such suspension shall not constitute a waiver of the right to impose fines as a result of future violations of the same or other provisions and rules by any party.

11.03. Invalidation. Invalidation of any of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

ARTICLE XII

TERM AND AMENDMENT

12.01. Amendments by the Declarant. During the Declarant Control Period, the Declarant may unilaterally record amendments to this Declaration in the Clerk's Office to effect (a) technical deletions, additions and revisions to this Declaration which correct, clarify or further the intent of this Declaration but which do not alter the substantive rights of the Owners, (b) effect the annexation of Additional Land as provided in Article XIII of this Declaration, (c) release from this Declaration, and terminate this Declaration as to any portion of the Subdivision which is not a Lot, and (d) make realignments of the boundaries of any part of the Common Area which has not been conveyed to the Association.

12.02. Term and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a period of fifty (50) years from the recordation of this Declaration in the Clerk's Office after which the term of this Declaration shall be automatically extended for successive periods of ten (10) years, unless an approved instrument terminating this Declaration is recorded in the Clerk's Office. This Declaration may be amended or terminated at any time by an instrument approved by more than two-thirds (2/3) of the votes entitled to be cast by all of the members of the Association. Any amendment or termination of this Declaration to be effective must (i) be executed by the president of the Association and be

attested to by the secretary of the Association, (ii) have attached to it the sworn affidavit of the secretary of the Association stating that the amendment was approved by the requisite number of votes of the members of the Association, and (iii) be recorded in the Clerk's Office.

12.03. Termination of Association: Appointment of a Trustee. In the event the Association ceases to exist or function, or in the event that this Declaration be declared to be void, invalid, illegal, or unenforceable in its entirety, or in such a significant manner that the Association is not able to function substantially as contemplated by the terms hereof, for any reason, by the adjudication of any Court or other tribunal having jurisdiction over the subject matter hereof, or if the Owners should vote to allow this Declaration to terminate pursuant to Section 12.02 of this Declaration and the Declaration thereafter terminates, then all Common Areas, Recreational Facilities and assets (including the Sidewalk Fund and any other reserve funds) owned by the Association shall at such time be transferred to a Trustee appointed by the Circuit Court of Chesterfield County, Virginia, which Trustee shall own and operate said Common Areas and Recreational Facilities and maintain such assets for the use and benefit of Owners within the subdivision as set forth below:

(a) Each lot or parcel of land located within the Subdivision shall be subject to an annual assessment which shall be paid by the Owner of each such lot or parcel to the Trustee. The amount of such annual assessment and its due date shall be determined solely by the Trustee, but the amount of such annual assessment on any particular lot or parcel shall not exceed the amount actually assessed against that lot or parcel in the last year that assessments were levied by the Association, subject to the adjustments set forth in subsection (b) below.

(b) The maximum annual assessment which may be charged by the Trustee hereunder on any particular lot or parcel may be increased each year by the Trustee by an amount equal to the greater of (i) ten (10%) percent or (ii) the percentage increase between the first month and last month of the annual assessment period in the Consumer Price Index, U.S. City Average, All Items (1967-100) (hereinafter "C.P.I.") issued by the U.S. Bureau of Labor Statistics in its monthly report entitled "The Consumer Price Index, U.S. City Average and Selected Areas". The actual amount of such increase in the maximum annual assessment on a lot or parcel shall equal the maximum annual assessment on such lot or parcel for the previous year multiplied by the larger of the two (2) percentage factors set forth above. If the C.P.I. is discontinued, then there shall be used the most similar index published by the United States Government that may be procured indicating changes in the cost of living.

(c) Any past due annual assessment together with interest thereon at the maximum annual rate allowed by law from the due date and all costs of collection including reasonable attorney's fees shall be a personal obligation of the Owner at the time the annual assessment became past due, and it shall also constitute and become a charge and continuing lien on the Lot or parcel of land and all improvements thereon, against which the assessment has been made, in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns.

(d) The Trustee shall be required to use the funds collected as annual assessments for the operation, maintenance, repair and upkeep of the Common Areas and Recreational Facilities, if any. The Trustee may charge as part of the cost of such functions the reasonable value of his services in carrying out the duties herein provided. The Trustee shall not have the obligation to provide for operation, maintenance, repair and upkeep of the Common Areas and Recreational Facilities, if any, once the funds provided by the annual assessment have been exhausted.

(e) The Trustee shall have the power to dispose of the Common Areas, Recreational Facilities and other assets of the Association free and clear of the limitations imposed hereby; provided, however, that such dispositions shall first be approved in writing by fifty-one (51%) percent of the Owners or in the alternative shall be found to be in the best interest of the Owners by the Circuit Court of Chesterfield County, Virginia. The proceeds of such a sale shall first be used for the payment of any obligations incurred by the Trustee in the operation, maintenance repair and upkeep of the Common Areas and Recreational Facilities, if any, then shall be distributed among the Owners, exclusive of the Trustee, in a proportion equal to the portion that the maximum annual assessment on property owned by a particular Owner bears to the total maximum annual assessments for all property located within the Subdivision.

12.04. Declarant's Rights. Any or all of the special rights and obligations of the Declarant may be transferred to other parties, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is pursuant to a written instrument signed by the Declarant and duly recorded in the Clerk's Office. So long as Declarant continues to have rights under this paragraph, no party shall record any declaration of covenants, conditions and restrictions or similar instrument affecting any portion of the Subdivision without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or

similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant. This Section may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Section shall terminate upon the earlier of (a) twenty-five (25) years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement by which the Declarant terminates its rights hereunder.

ARTICLE XIII

ANNEXATION OF ADDITIONAL LAND

13.01. Additions by Declarant. Hawkin's Wood at The Grove - Section 1, as shown on the Plat, is the first phase of the Subdivision. Declarant hereby reserves the right in its sole discretion without the consent of any Owner or the Association to subject any or all of the Additional Land described in Exhibit B to the scheme of this Declaration. Portions of such Additional Land may be added to the Subdivision at different times. However, this Article shall not be construed as obligating the Declarant to subject any or all of the Additional Land to the provisions of this Declaration, nor are portions of the Additional Land required to be subjected to this Declaration in any particular order.

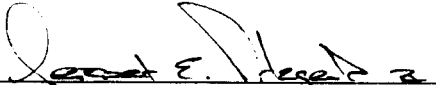
13.02. Supplemental Declaration. Additions authorized under this Article shall be effected by filing for record in the Clerk's Office of the Circuit Court of Chesterfield County, Virginia, a Supplemental Declaration of covenants and restrictions with respect to the Additional Land. Such Additional Land shall be considered to be within the definition of "Subdivision" for all purposes of this Declaration. The Supplemental Declaration effecting such annexation shall extend the entire scheme of the covenants and restrictions of this Declaration to the annexed property as of the date of the recordation of the Supplemental Declaration to add that portion of the Additional Land to the Subdivision. The Supplemental Declaration may contain such additions to and modifications of the provisions contained herein as may be necessary to reflect the different character, if any, of such Additional Land, provided that they are not inconsistent with the scheme of this Declaration. Any such Supplemental Declaration may create a Neighborhood Association and place Neighborhood Restrictions on any such Additional Land. In no event, however, shall such Supplemental Declaration revoke, modify, or add to the covenants established by this Declaration. In the event that Additional Land is annexed to the Subdivision under this Article, the owners of such Additional Land shall immediately be deemed Owners within the meaning of this Declaration and shall have all the rights, privileges, and easements of Owners hereunder, including, without

limitation, the membership and voting rights set forth in Article IV, and shall be subject to the same restrictions and covenants of Owners hereunder, including without limitation, the Assessments for maintenance and improvements set forth in Article V.

WITNESS the following signature:

THE GROVE, L.P., a Virginia
limited partnership

By: Mayland Investment Company,
a Virginia corporation, General
Partner

By: 
Title: MANAGER

STATE OF VIRGINIA

STATE AT LARGE, to-wit:

The foregoing instrument was personally acknowledged before me this 2nd day of November, 1998, in the City of Richmond, Virginia by Herbert E. Fitzgerald III, as manager Mayland Investment Company, General Partner of The Grove, L.P., a Virginia partnership.

My commission expires: 7-31-02

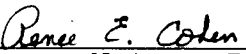

Notary Public

EXHIBIT A

DESCRIPTION OF SUBMITTED LAND

ALL that certain lot, piece, or parcel of land, with all improvements thereon and appurtenances thereto designated as Section 1 of Hawkin's Wood at The Grove on a plat entitled "Hawkin's Wood at The Grove, Section-1, Midlothian District, Chesterfield County, Virginia", prepared by E.D. Lewis & Associates, P.C., dated August 21, 1998, recorded in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, in Plat Book ___, page ___, to which plat reference is hereby made for a more particular description of said land.

BEING a portion of the same real estate conveyed to The Grove, L.P., a Virginia limited partnership, by deed from Glen Roy Corporation, a Virginia corporation, and The Tuckahoe Cardinal Corporation, a Virginia corporation, dated March 30, 1998, recorded April 2, 1998, in the Clerk's Office, Circuit Court, County of Chesterfield, Virginia, in Deed Book 3246, page 324.

EXHIBIT B

DESCRIPTION OF ADDITIONAL LAND

ALL that certain piece or parcel of land with improvements thereon and appurtenances thereto belonging, lying and being in Midlothian District, Chesterfield County, Virginia, containing 296.1 acres, more or less, as shown on plat of survey prepared by E. D. Lewis & Associates, P.C., dated March 27, 1998, entitled "Plat showing 296.1 + Acres Located In The Midlothian District Of Chesterfield County, Virginia", a print of which plat is recorded in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, in Plat Book 98, page 14, reference to which plat is made for a more particular description of the property hereby conveyed.

LESS AND EXCEPT all that certain lot, piece, or parcel of land, with all improvements thereon and appurtenances thereto designated as Section 1 of Hawkin's Wood at The Grove on a plat entitled "Hawkin's Wood at The Grove, Section-1, Midlothian District, Chesterfield County, Virginia", prepared by E.D. Lewis & Associates, P.C., dated August 21, 1998, recorded in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, in Plat Book ___, page ___, to which plat reference is hereby made for a more particular description of said land.

BEING a portion of the same real estate conveyed to The Grove, L.P., a Virginia limited partnership, by deed from Glen Roy Corporation, a Virginia corporation, and The Tuckahoe Cardinal Corporation, a Virginia corporation, dated March 30, 1998, recorded April 2, 1998, in the Clerk's Office, Circuit Court, County of Chesterfield, Virginia, in Deed Book 3246, page 324.

VIRGINIA:

IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF CHESTERFIELD COUNTY, THE 2 DAY OF NOV 1998, THIS DEED WAS PRESENTED AND WITH THE CERTIFICATE....ADMITTED TO RECORD AT 15:39 O'CLOCK. THE TAX IMPOSED BY SECTION 50.1-602 IN THE AMOUNT OF \$1.00 HAS BEEN PAID.

TESTE: JUDY L. WORTHINGTON, CLERK

BOOK 3451 PAGE 800

1. Addition of Additional Sections. Declarant does hereby submit to the Declaration that portion of the Additional Land more particularly described in Exhibit A attached hereto and made a part hereof and briefly described as Biggin Pond at The Grove, Section 1 and Gravity Hill at The Grove, Section 1 (the "Additional Sections") and does hereby declare and make known that all of the property within the Additional Sections is held subject to easements, restrictions, covenants and conditions contained in the Declaration, which shall run with both the

Original Property and the Additional Sections or any part thereof, and shall be binding on all parties having any right, title or interest in such property, or any part thereof, their heirs, personal representatives, successors or assigns.

2. Rights and Obligations of Owners. The Owners of the Lots in the Additional Sections shall immediately be deemed Owners within the meaning of the Declaration and shall have all rights, privileges and easements of Owners thereunder, including, without limitation, the membership and voting rights set forth in Article IV of the Declaration and shall be subject to the same restrictions and covenants of Owners thereunder, including, without limitation, the assessments for maintenance and improvements set forth in Article V of the Declaration.


3. Covenants to Run With the Land. The provisions of this First Supplement shall run with the Additional Sections and all the Original Property, and shall be binding upon all persons having or requiring any interest in the Original Property, the Additional Sections, or any part thereof, shall insure to the benefit of every portion of the Original Property, the Additional Sections and any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of the Declarant, and may be enforced by any Owner, the Declarant, the Association, or their successors in interest.

4. Annexation of Additional Land. Declarant hereby reserves the right in its sole discretion without the consent of any Owner or the Association to subject any or all of the remaining portion of the Additional Land to the scheme of the Declaration.

WITNESS the following signature.

THE GROVE, L.P., a Virginia limited partnership

BY: MAYLAND INVESTMENT COMPANY, a Virginia corporation

By: 
Title: Manager

COMMONWEALTH OF VIRGINIA,

STATE AT LARGE, to-wit:

The foregoing instrument was personally acknowledged before me this 15th day of December, 1998, in the City of Richmond, Virginia, by Herbert E. Fitzgerald, III as Manager of Mayland Investment Company, a Virginia corporation, as sole general partner of The Grove, L.P., a Virginia limited partnership.

My commission expires:

6-30-2000

Barbara N. Medlin
Notary Public

EXHIBIT A

Biggin Pond at The Grove, Section-1

ALL that certain tract or parcel of land containing a total of approximately 11.27 acres and designated as Biggin Pond at The Grove, Section -1 on that certain subdivision plat dated August 21, 1998, prepared by E. D. Lewis & Associates, P.C., entitled "Biggin Pond at The Grove, Section-1, Midlothian District, Chesterfield County, Virginia", a copy of which was recorded December 9, 1998, in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, in Plat Book 102, at Pages 29 and 30, reference to which plat is made for a more particular description of the property.

Gravity Hill at The Grove - Section-1

ALL that certain tract or parcel of land containing a total of approximately 18.29 acres and designated as Gravity Hill at The Grove, Section -1 on that certain subdivision plat dated September 2, 1998, prepared by E. D. Lewis & Associates, P.C., entitled "Gravity Hill at The Grove, Section-1, Midlothian District, Chesterfield County, Virginia", a copy of which was recorded December 11, 1998, in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, in Plat Book 102, at Pages 33 through 36, reference to which plat is made for a more particular description of the property.

0482808.01

VIRGINIA:

IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF CHESTERFIELD COUNTY, THE 17 DAY OF DEC 1998, THIS DEED WAS PRESENTED AND WITH THE CERTIFICATE...., ADMITTED TO RECORD AT 15:38 O'CLOCK. THE TAX IMPOSED BY SECTION 58.1-802 IN THE AMOUNT OF \$1.00 HAS BEEN PAID.

Made by: Williams, Mullen
P.O. Box 1320
Richmond, Va. 23218

BOOK 3619 PAGE 46

KRIM POINT AT THE GROVE

99 JUL 12 11 00

039456

DECLARATION OF NEIGHBORHOOD RESTRICTIONS

CIRCUIT COURT OF
CHESTERFIELD

THIS DECLARATION of Neighborhood Restrictions of Krim Point at The Grove (the "Neighborhood Restrictions") made as of this 14th day of June, 1999, by THE GROVE, L.P., a Virginia limited partnership (the "Declarant") and CENTEX HOMES, a Nevada corporation, as the sole Class A member, both to be indexed as grantors, recites and provides:

RECITALS

1. By Declaration of Covenants, Conditions and Restrictions for The Grove (the "Declaration") dated October 30, 1998, recorded November 2, 1998, in the Clerk's Office of the Circuit Court of Chesterfield County, Virginia (the "Clerk's Office"), in Deed Book 3414, at page 530, Declarant declared that certain property located in Chesterfield County, Virginia and more particularly described as "Hawkins Woods at The Grove - Section 1" (the "Original Property") be held, sold and conveyed subject to easements, restrictions, covenants and conditions contained in the Declaration.

2. Pursuant to the terms of Article XIII of the Declaration, Declarant reserved the right to subject any or all of the Additional Land described in Exhibit B to the Declaration to the scheme of the Declaration. Declarant added to the Original Property a portion of the Additional Land known as "Krim Point at The Grove, Section-1" (the "Neighborhood") by Second Supplement to Declaration of Covenants, Conditions and Restrictions for The Grove dated April 7, 1999, recorded April 19, 1999, in the Clerk's Office in Deed Book 3545, at Page 238.

3. Pursuant to the terms of the Declaration, the Declarant reserved the right to impose a scheme of restrictions, easements, rights and covenants upon property within a Neighborhood which shall be in addition to the Declaration to provide for the creation of a Neighborhood Association to oversee and govern the Neighborhood and to provide for assessments for maintenance and management of that Neighborhood.

4. Each capitalized term used, and not otherwise defined in these Neighborhood Restrictions, shall have the meaning given to it in the Declaration unless the context otherwise requires. In the case of any inconsistency or conflict among the provisions of the Declaration and these Neighborhood Restrictions, the provisions of this Declaration shall govern. All Neighborhood

Restrictions shall be subordinate and inferior to the Declaration. These Neighborhood Restrictions shall not alter the provisions of the Declaration, but shall only be in addition to the Declaration. Any provision contained in these Neighborhood Restrictions which is in conflict with the Declaration shall be void and of no effect.

NOW THEREFORE, the Declarant hereby declares that Lots in the Neighborhood shall be held, transferred, sold, conveyed, given, donated, leased, occupied, and used subject to the restrictions, covenants, conditions, easements, charges, assessments, affirmative obligations, and liens hereinafter set forth.

ARTICLE I

DEFINITIONS

The following words and terms, when used in this Neighborhood Declaration or any supplemental declaration, shall have the following meanings (unless the context shall clearly indicate otherwise):

1.01. "Declarant" shall mean and refer to The Grove, L.P., a Virginia limited partnership, which is the declarant herein, together with any successors and assigns to all or substantially all of its business of developing the Neighborhood.

1.02. "Declarant Control Period" is defined as the period commencing on the date that this Declaration is recorded in the Clerk's Office, Circuit Court, Chesterfield County, Virginia and ending on the earlier to occur of (i) December 31, 2003; (ii) when all of the Lots have certificates of occupancy issued for the residences constructed thereon and have been conveyed to parties other than the Declarant or builders holding title solely for the purpose of construction and resale, or (iii) when the Declarant voluntarily terminates the Declarant Control Period.

1.03. "Improved Lot" is defined as a Lot upon which a residence has been substantially completed. A residence shall be deemed to be substantially completed upon the earlier to occur of (i) issuance of a temporary or final certificate of occupancy for the residence, or (ii) twelve (12) months from the date that a building permit for the residence is issued.

1.04. "Lot" shall mean and refer to any plot of land shown, designated, and individually numbered by lot and block on the Subdivision Plat and intended for use as the site of a single family residence.

1.05. "Member" shall mean and refer to all those Members who are members of the Neighborhood Association as provided in Article II of the Declaration.

1.06. "Mortgage" shall mean and refer to any mortgage, deed of trust or similar instrument encumbering a Lot as security for the performance of any obligation.

1.07. "Neighborhood" shall mean and refer to "Krim Point at The Grove, Section-1" and all additional sections of Krim Point at The Grove as may subsequently be added to these Neighborhood Restrictions by the Declarant.

1.08. "Neighborhood Assessment" shall mean and refer to a Member's share of the Common Expenses from time to time assessed against a Member by the Neighborhood Association in the manner herein provided.

1.09. "Neighborhood Association" shall mean and refer to Krim Point Homeowners Association, a Virginia non-stock corporation, its successors and assigns.

1.10. "Neighborhood Board" shall mean and refer to the Board of Directors of the Neighborhood Association.

1.11. "Neighborhood Expenses" shall mean and refer to all actual and estimated expenditures incurred by or on behalf of the Neighborhood Association, for the benefit of Owners of Lots within the Neighborhood.

1.12. "Neighborhood Restrictions" shall mean and refer to this Declaration of Neighborhood Restrictions, as the same now exists or may be hereafter amended.

1.13. "Occupant" shall mean and refer to any person, including, without limitation, any guest, invitee, tenant, lessee or family member of a Member, occupying or otherwise using or visiting a Lot.

1.14. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, but excluding any mortgagee or subsequent holder of a Mortgage, unless and until such mortgagee or holder of a Mortgage has acquired fee simple title pursuant to foreclosure or any proceeding in lieu of foreclosure.

1.15. "Subdivision Plat" shall mean and refer to the subdivision plat for the Neighborhood recorded in the Clerk's Office of the Circuit Court of Chesterfield County, Virginia.

ARTICLE IIASSOCIATION MEMBERSHIP AND VOTING RIGHTS

2.01. Membership. Every Owner of a Lot shall be a Member of the Neighborhood Association. Each Owner's membership shall be appurtenant to and may not be separated from ownership of any Lot. When more than one person holds an interest in any property in the Neighborhood to which a vote is allocated, all persons shall be Members. In any instance where the Members are entitled to personally cast their votes and when more than one person holds an interest in property within the Neighborhood: (a) the vote for such property shall be exercised as the co-owners among themselves determine, but not more votes may be cast with respect to such property than have been allocated to such property; (b) if only one co-owner of property casts votes allowable to that property, the presiding officer at the meeting at which such vote is to be cast shall deem that the vote allocable to such property is to be cast by such co-owner; and (c) if the parties together entitled to cast a vote with respect to property in which they hold a co-interest cannot among themselves determine how to exercise such vote, the presiding officer at the meeting at which such vote is to be cast shall disallow the vote with respect to such property.

2.02. Voting Classes. The Association shall have two (2) classes of voting membership:

(a) Class A. Class A Members shall be all Owners (with the exception of the Declarant) and shall be entitled to one (1) vote for each Improved Lot.

(b) Class B. The Class B member shall be the Declarant, or its successor in interest, during the Declarant Control Period.

ARTICLE IIIFUNCTIONS OF THE NEIGHBORHOOD ASSOCIATION

3.01. Power and Obligations of the Neighborhood Association. The Neighborhood Association shall have the power and may perform the following functions:

(a) Hire a professional manager, who may be an affiliate of the Declarant to perform for a fee all functions of operation and management on behalf of the Neighborhood Association. Any contract, which may or may not be with the Declarant or an affiliate of the Declarant, shall provide that the contract may be terminated with cause on not more than thirty

(30) days' written notice and without cause on no more than ninety (90) days' written notice; and the contract must be terminable without payment of a termination fee.

(b) Prepare an annual budget, in which there shall be established the assessments of each Owner for the Neighborhood Expenses.

(c) Make assessments against owners to defray the costs and expenses of the Neighborhood Association, to establish the means and methods of collecting such Neighborhood Assessments from the owners and to establish the period of the installment payment of the Neighborhood Assessment for Neighborhood Expenses. Unless otherwise determined by the Neighborhood Board, the annual Neighborhood Assessment against each Owner for his proportionate share of the Neighborhood Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for such month.

(d) Provide for maintenance of the yards and landscaping of Improved Lots in the Neighborhood, which may include regular grass cutting, fertilizing, reseeding and shrubbery trimming.

(e) Collect the Neighborhood Assessments against the Owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Neighborhood Association.

(f) Contract for the collection of garbage at each Improved Lot in the Neighborhood.

(g) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Neighborhood and the administration of the Neighborhood Association.

ARTICLE IV

COVENANT FOR NEIGHBORHOOD ASSESSMENTS

4.01. Creation of the Lien and Personal Obligation of Neighborhood Assessments. The Declarant, for each Lot subjected to these Neighborhood Restrictions, hereby covenants, and each Owner of any Lot by acceptance of a deed thereto, whether or not it shall be so expressed in any such deed, shall be deemed to covenant and agree to all the terms and provisions of this Neighborhood Declaration and to pay to the Neighborhood Association the annual Neighborhood Assessments. The Neighborhood Assessments, together with interest thereon (if assessed by the Board) and costs of collection therefor

(including reasonable attorneys' fees) shall be a charge and continuing lien upon the Lot and improvements thereon against which such Neighborhood Assessment is made; provided, however, any lien created for such assessments shall be inferior and subordinate to any lien created by the Declaration. Each such Neighborhood Assessment, together with interest thereon (if any) and costs of collection therefor shall also be the personal obligation of the person or entity who was the Owner of such Lot at the time when the Neighborhood Assessment fell due. In the case of co-ownership of a Lot, all such co-owners shall be jointly and severally liable for the entire amount of the assessment. The personal obligation of an Owner for delinquent Neighborhood Assessments shall not pass to his successors in title unless expressly assumed by them.

4.02. Purpose of Assessments. The Neighborhood Assessments levied by the Neighborhood Association shall be used exclusively (i) to provide services which the Neighborhood Association is authorized to provide; and (ii) to pay reasonable expenses incurred by the Neighborhood Association in carrying out its duties hereunder, including, but not limited to, the costs of wages, materials, services, supplies and other expenses.

4.03. Annual Neighborhood Assessments. The annual assessment shall be fixed by the Neighborhood Board of the Neighborhood Association in accordance with a budget prepared and approved by the Board of Directors. Until January 1 of the year immediately following the conveyance of the first Improved Lot to an Owner, the maximum annual Neighborhood Assessment shall be Seventy Five Dollars (\$75.00) per Lot. The annual Assessment may be increased as hereinafter provided in Section 4.04 of this Article IV. Notwithstanding any of the foregoing to the contrary, there shall be no assessment against any Lot until it is an Improved Lot.

4.04. Increase of Annual Assessments. The Board of Directors of the Neighborhood Association may, without a vote of the Members of the Neighborhood Association, prospectively increase the annual Neighborhood Assessments to an amount which is five (5%) above the annual Neighborhood Assessments for the previous year. The Neighborhood Association may prospectively increase the maximum of the Neighborhood Assessments above the amount permitted pursuant to the preceding sentence, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

4.05. Determination of Annual Neighborhood Assessments.

(a) Fiscal Year. The fiscal year of the Neighborhood Association shall consist of the twelve-month period commencing on January 1 of each year and terminating on December 31 of that year.

(b) Preparation and Approval of Budget. Each year on or before December 1, the Neighborhood Board shall adopt a budget containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, services and other expenses and the rendering to the Owners of all related services. The Neighborhood Board shall send to each Owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the common expenses payable by each Owner, on or before December 15 preceding the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each Owner's Neighborhood Assessment as hereinbefore provided.

The Neighborhood Board shall set the annual Neighborhood Assessment for the first fiscal year of the Neighborhood Association no later than the date on which such Neighborhood Assessment commences as to any Lot; provided, however that the initial annual Neighborhood Assessment on any Lot shall be prorated according to the number of months remaining in the fiscal year.

(c) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Neighborhood Board to prepare or adopt the annual budget or adjusted budget for any fiscal year shall not constitute a waiver or release in any manner of a Owner's obligation to pay his Neighborhood Assessment 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 the Neighborhood Assessment at the then existing rate established for the previous fiscal period in the manner such payment was previously due until notified otherwise.

(d) Accounts. Except as otherwise provided, all sums collected by the Neighborhood Board with respect to assessments against the Owners may be commingled in a single fund, but shall be held for each Member in accordance with the number of Lots owned.

4.06. Notice and Quorum for any Action Authorized Under Sections 4.04. Written notice of any meeting of the Members called for the purpose of taking any action authorized under Section 4.04 of this Article IV shall be given to all Members of the Neighborhood Association in accordance with the provisions of

the Virginia Nonstock Corporation Law in effect at the time such notice is given. At the meeting so called, the presence of the Members or of proxies representing at least a majority of all the votes of each class of membership shall constitute a quorum.

4.07. Uniform Rate of Assessment. The amount of the annual Neighborhood Assessments shall be fixed at a uniform rate for all Lots that are not exempt from assessment and may be collected periodically, as determined by the Board.

4.08. Date of Commencement of Annual Neighborhood Assessments; Due Dates. Prior to the commencement of annual assessments, all costs incurred in connection with the maintenance and preservation of the Neighborhood shall be borne solely by the Declarant. The first annual Neighborhood Assessment as to all non-exempt property (as set forth in Section 4.11 of this Article) shall commence on the first day of the first month following the date that a certificate of occupancy is issued on a dwelling on such Lot. The first annual Neighborhood Assessment shall be adjusted prorata according to the number of months then remaining in the fiscal year. Succeeding annual Neighborhood Assessments shall commence on the first day of each fiscal year, which fiscal year shall commence on January 1 of each year. The fiscal year shall be subject to change by the Board of Directors. Written notice of the annual Neighborhood Assessment shall be sent to every Lot Owner subject thereto within thirty (30) days after approval by the Neighborhood Association. Annual Neighborhood Assessments shall be paid in installments as determined by the Neighborhood Board in their sole discretion.

4.09. Duties of the Neighborhood Board. In the event of any change in the annual Neighborhood Assessment as set forth herein, the Neighborhood Board shall fix the date of commencement and the amount of the Neighborhood Assessment against each Lot for each Neighborhood Assessment period at least fifteen (15) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and Neighborhood Assessments applicable thereto which shall be open to inspection by any Member. Written notice of the Neighborhood Assessment shall thereupon be sent to every Member subject thereto. The Neighborhood Association shall, upon demand at any time, furnish to any Member liable for said Neighborhood Assessment a certificate in writing signed by an officer of the Neighborhood Association, stating whether said Neighborhood Assessment has been paid, and if not, setting forth the amount of any unpaid Neighborhood Assessment. A reasonable charge may be made by the Neighborhood Association for the issuance of such certificate. Such certificate shall be conclusive evidence of payment of any Neighborhood Assessment therein stated to have been paid.

4.10. Subordination of the Lien to Mortgages. The lien of the Neighborhood Assessments provided for herein shall be subject and subordinate to the lien of any first Mortgage encumbering a Lot, provided, however, that the Neighborhood Association may elect to record a notice of delinquency as to any particular Lot in the Clerk's Office of the Circuit Court of Chesterfield County, Virginia, on a form to be prescribed by the Neighborhood Board. If the Neighborhood Association elects to record such notice, the lien of such delinquent Neighborhood Assessments in the amount stated in such notice shall be prior to any subsequently recorded first Mortgage in the same manner as the lien of a docketed judgment in the State of Virginia. However, such a recordation shall not be necessary to perfect the lien securing charges and Neighborhood Assessments due to the Neighborhood Association, but shall be required only to establish the priority of such lien as to subsequently recorded first Mortgages.

Sale or transfer of any Lot shall not affect the Neighborhood Assessment lien. However, sale or transfer of any Lot by foreclosure of the lien of any first Mortgage thereon or the acceptance of a deed in lieu thereof, shall extinguish the lien of such Neighborhood Assessments as to payments which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any Neighborhood Assessments thereafter becoming due or from the lien thereof.

4.11. Exempt Property. After the commencement of annual Neighborhood Assessments, those Lots exempt from Assessments under Section 5.08 of the Declaration shall also be exempt from the payment of Neighborhood Assessments.

ARTICLE V

USE RESTRICTIONS AND RULES

5.01 Maintenance Responsibility of Owner. Each Owner shall maintain those parts of his yard which are not maintained by the Neighborhood Association at the same level of maintenance as the Neighborhood Association maintains the remainder of the yard pursuant to Section 3.01(d). Such lot landscape maintenance may be available at an additional cost to the Owner from the Neighborhood Association or such other entity as designated by the Neighborhood Board.

ARTICLE VIGENERAL PROVISIONS

6.01. Enforcement. The Declarant, the Neighborhood Association, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, affirmative obligations, reservations, liens, and charges now or hereafter imposed by the provisions of these Neighborhood Restrictions. The failure of the Declarant or the Neighborhood Association, or of any Owner to enforce any rights, provisions, covenants, restrictions, or conditions contained in these Neighborhood Restrictions shall not constitute a waiver or estoppel of the right to thereafter enforce the same, nor shall any liability attach to the Declarant, the Neighborhood Association, or any Owner for failure to enforce such rights, provisions, covenants, restrictions, or conditions. All rights, remedies and privileges granted to the Declarant, the Neighborhood Association or any Owner shall be deemed to be cumulative.

6.02. Term. These Neighborhood Restrictions are to run with the land and shall be binding on all parties and all persons claiming under them for a period of fifty (50) years from the date of recordation of these Neighborhood Restrictions, after which time said Neighborhood Restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument signed by more than two-thirds (2/3) of the votes entitled to be cast by the then Owners of the Lots has been recorded, agreeing to change these Neighborhood Restrictions in whole or in part.

6.03. Amendment. These Neighborhood Restrictions may be amended by a vote of the Members at a duly called meeting of the Neighborhood Association at which a quorum (as defined in the Bylaws of the Neighborhood Association) is present and for which notice was given in accordance with the provisions of the Virginia Nonstock Corporation Law in effect at the time such notice was given. Such notice shall state the proposed amendments to these Neighborhood Restrictions to be presented to the Members for approval and shall contain the text of the amendments to be presented or a summary thereof. Any such amendment shall be deemed approved if two-thirds (2/3) of the votes cast by each class of Members voting in person or by proxy at such meeting are in favor of the proposed amendment. If any amendment to these Neighborhood Restrictions is approved by the Members as set forth in this section, the President and Secretary of the Neighborhood Association shall execute an Addendum to this Declaration which shall set forth: (1) the date of the meeting of the Neighborhood Association at which the amendment was adopted; (2) the date that notice of such meeting was given; (3)

the total number of votes of members of the Association authorized to vote at such meeting; (4) the total number of votes required to constitute a quorum at such meeting; (5) the total number of votes present at such meeting and counted in establishing the presence of a quorum; (6) the total number of votes necessary to adopt the amendment; (7) the total number of votes cast in favor of and against the amendment; (8) the text of the amendment; and (9) the effective date of the amendment. The addendum shall be recorded in the Clerk's Office of the Circuit Court of Chesterfield County, Virginia.

ARTICLE VII

ANNEXATION OF ADDITIONAL LAND

7.01. Additions by Declarant. Krim Point at The Grove, Section-1 is the first section of the Neighborhood. Declarant reserves the right, in its sole discretion, without the consent of any Owner or the Neighborhood Association, to subject additional sections of Krim Point to the scheme of these Neighborhood Restrictions.

ARTICLE VIII

MEMBERSHIP IN THE GROVE ASSOCIATION

Each Owner (with the exception of the Declarant) shall automatically become a Member of The Grove Association upon the conveyance of a Lot from the Declarant to such Owner, and, by accepting a deed of conveyance, each Owner agrees to become a Member of The Grove Association and to pay applicable dues and assessments of such Association; provided, however, each Owner shall have all rights and privileges of a member of The Grove Association, including the right to vote in the affairs of such Association. Any assessments by these Neighborhood Restrictions shall be in addition to the assessments imposed by the Declaration and payment of Neighborhood Assessments shall not in any way constitute or be credited towards the payment of assessments imposed by the Declaration.

CONSENT OF CLASS A MEMBER

Centex Homes, as the sole Class A member of Lots in the Neighborhood, joins in the execution of this Declaration of Neighborhood Restrictions to consent to the provisions hereof; provided, however, that such consent shall not be deemed to obligate Centex Homes to undertake any of the Declarant's

obligations or to assume any of the Declarant's liabilities under this Declaration.

WITNESS the following signatures.

THE GROVE, L.P., a Virginia limited partnership

BY: MAYLAND INVESTMENT COMPANY, a Virginia corporation, General Partner

By:

Title:

CENTEX HOMES, a Nevada corporation

By:

Title:

Thomas B. Tiel

DIVISION PRESIDENT

COMMONWEALTH OF VIRGINIA

STATE AT LARGE, to-wit:

The foregoing instrument was acknowledged before me this
1st day of July, 1999, by Richard W. Nuckels,
 as manager of Mayland Investment Company, a Virginia
 corporation, General Partner of The Grove, L.P., a Virginia
 limited partnership, on its behalf.

My commission expires: 10/31/2001

Mary S. Woodruff
 Notary Public

COMMONWEALTH OF VIRGINIA

STATE AT LARGE, to-wit:

The foregoing instrument was acknowledged before me this
1st day of July, 1999, by Thomas B. Teal,
 as Division President of Centex Homes, a Nevada corporation, on
 its behalf.

My commission expires: 10/31/2000

Mary S. Woodruff
 Notary Public

#528462 v2

VIRGINIA:

IN THE CLERK'S OFFICE OF THE CIRCUIT
 COURT OF CHESTERFIELD COUNTY, THE 12 DAY
 OF JUL 1999, THIS DEED WAS PRESENTED
 AND WITH THE CERTIFICATE....., ADMITTED TO
 RECORD AT 11:00 O'CLOCK. THE TAX IMPOSED
 BY SECTION 58.1-802 IN THE AMOUNT OF
 \$.00 HAS BEEN PAID.

TESTE: JUDY L. WORTHINGTON, CLERK

MARY Williams, Mullen
PO BOX 1370 49 OCT 27 88 25
Richmond, Va. 23218

DUPLICATE COPY

059229

URGENT CHIEF CLERK
FBI NEW YORK

**DECLARATION OF RESTRICTIONS FOR
PRESERVATION AREAS WITHIN THE GROVE
CHESTERFIELD COUNTY, VIRGINIA**

THIS DECLARATION OF RESTRICTIONS is made this 8th day of October, 1999, by THE GROVE, L.P., a Virginia limited partnership ("Developer").

WHEREAS, Developer is the owner of the property described on Exhibit A attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, the Norfolk District, U.S. Army Corps of Engineers ("USACOE") has approved the impacting of certain jurisdictional headwater wetlands and of a certain intermittent stream upon the condition that Developer mitigate for the wetlands impacts by the restoration, construction, enhancement, preservation and stabilization of certain wetlands located on the Property. The mitigation areas, preservation areas and wetlands areas requiring preservation are or will be identified on subdivision plats for the Grove as "U.S. Army Corps of Engineers Jurisdictional Wetlands", "USACOE Jurisdictional Wetlands" or "Wetlands, Subject To Restrictive Covenants" and are collectively hereinafter referred to as the "Preservation Areas"; and

WHEREAS, Developer desires to impose on the Preservation Areas a restrictive covenant expressing Developer's intent to preserve said property in perpetuity in its natural state by prohibiting wetland destruction or alterations, building construction, addition of fill material, cultivation, or tree harvesting on the Preservation Areas.

NOW, THEREFORE, THIS DECLARATION WITNESSETH: Developer does hereby declare, covenant and agree, for itself and its successors and assigns, that the Preservation Areas shall be hereafter held and sold subject to the following covenants and restrictions, to-wit:

1. The Preservation Areas shall be preserved in perpetuity in their natural state by prohibiting wetland destruction or alterations, building construction, addition of fill material, cultivation, and tree harvesting. Additionally, the following activities shall be prohibited on the Preservation Areas:

a. Destruction or alteration of wetlands on the Preservation Areas other than those alterations authorized by the Norfolk District, U.S. Army Corps of Engineers ("USACOE") or its successors under permit number 98-0564.

b. Construction or maintenance of buildings, mobile homes, fences, signs other than those which currently exist; however, boardwalks, wildlife management structures, and observation decks may be placed on the Preservation Areas provided that any such structure permits the natural movement of water and preserves the natural contour of the ground and subject to prior approval by USACOE.

c. Ditching, draining, diking, damming, filling, excavating, plowing, mining or drilling, removal of topsoil, sand, or other materials, and any building of roads or alteration in the topography of the land in any manner except for maintenance of existing foot trails.

d. Silvicultural activities undertaken where the substantial effect or purpose is to generate funds; however, forest activities undertaken to/for/or in association with (for example) control of disease or insect infestation, salvage cutting, to encourage diversity or species and age classes, restore desirable species, to encourage cavities and snags, to create wildlife clearings, for fire management, and authorized construction activities may be authorized by USACOE on a case-by-case basis and timber or other forest products incidentally produced from these activities may be sold;

e. Removal, destruction and cutting of trees or plants (except as necessary to construct or maintain foot trails or for safety), planting of trees and plants, use of fertilizers, and spraying with biocides; provided, however, nothing contained herein shall be construed to prohibit the cutting and/or removal of dead or diseased trees and vegetation consistent with sound forestry management practices.

f. Clearcutting, except to the extent that it is appropriate for stand regeneration;

g. Dumping of ashes, trash, garbage, or other unsightly or offensive material, and changing of the topography through the placing of soil or other substance or material such as land fill or dredged material; nor shall such activities be conducted on the Preservation Areas or adjacent property which could cause erosion or siltation on the Preservation Areas.

h. Activities which could cause erosion or siltation on the Property.

i. Cultivating, harvesting, and logging.

2. The covenants contained herein shall not hereafter be altered in any respect without the express written approval and consent of the Developer, or its successor in interest, and the USACOE, or its successor in interest; the covenant contained herein runs only to the benefit of the United States through the USACOE, and the joinder of any other party or entity other than the Developer, or its successor in interest, and the USACOE, or its successor, shall not be required to amend or vacate this Declaration.

3. The provisions hereof shall be deemed individual and severable and the invalidity or partial invalidity or unenforceability of any one provision or any portion thereof shall not affect the validity or enforceability of any other provision thereof.

4. The provisions hereof shall be enforceable by any proceeding at law or in equity by the USACOE, the U.S. Environmental Protection Agency, the U.S. Fish and Wildlife Service, or any owner of a lot within The Grove subdivision or any non-profit corporation of entity whose

primary purpose is environmental protection or preservation. Failure by any agency to enforce any covenant or restriction contained herein shall in no event be deemed a waiver of the right to do so thereafter.

5. These covenants are to run with the land and shall be binding on all parties and persons claiming under them. These covenants are imposed by Developer freely and voluntarily in order to assume that the wetland impacts pursuant to permit #98-0564 shall be minimal.

WITNESS the following signature the day and year first above written.

THE GROVE, L.P., a Virginia limited partnership

BY: MAYLAND INVESTMENT COMPANY, a
Virginia corporation, as General Partner

By: [Signature]
Title: Manager

COMMONWEALTH OF VIRGINIA,
City of Richmond, to-wit:

The foregoing instrument was acknowledged before me this 8th day of October 1999, by Harbort E. Fitzgibbon of Mayland Investment Company, a Virginia corporation, on behalf of the corporation in its capacity as General Partner of The Grove, L.P., a Virginia limited partnership.

My commission expires: 10/31/2001

[Signature]
Notary Public

Prepared by:
Hirschler Fleischer
P. O. Box 500
Richmond, VA 23218-0500
Tax Parcel No.: Part of 730-703-7384-00000

03 JUL 14 14 28

063272

**DECLARATION
OF COVENANTS, CONDITIONS AND NEIGHBORHOOD RESTRICTIONS
FOR SCOTTER HILLS/RIDGEMOOR TOWNHOUSE ASSOCIATION, INC.**

THIS DECLARATION is made as of the 10th day of July, 2003, by **THE GROVE, L.P.**, a Virginia limited liability company (the "Original Declarant") and **CENTEX HOMES**, a Nevada general partnership (the "Successor Declarant").

WITNESSETH:

WHEREAS, Original Declarant owns certain real property in Chesterfield County, Virginia (the "County"), which is shown on subdivision plats for Scotter Hills and Ridgemoor (the "Subdivision Plats"), recorded or to be recorded in the Clerk's Office of the Circuit Court of Chesterfield County, Virginia (the "Clerk's Office");

WHEREAS, upon development, the Property will become all or part of one or more Neighborhoods under the terms of the Declaration of Covenants, Conditions and Restrictions for The Grove dated October 30, 1998, recorded November 2, 1998, in the Clerk's Office in Deed Book 03414, Page 530, as amended (the "Grove Declaration").

WHEREAS, pursuant to the terms of Article XIII of the Grove Declaration, Original Declarant reserved the right to subject any or all of the Additional Land described in Exhibit B to the Grove Declaration to the scheme of the Grove Declaration. Original Declarant added a portion of the Additional Land known as "Scotter Hills" and "Ridgemoor" (collectively, the "Neighborhood") by Thirteenth Supplement to Declaration of Covenants, Conditions and Restrictions for The Grove of even date herewith, recorded in the Clerk's Office immediately prior hereto.

WHEREAS, pursuant to the terms of the Grove Declaration, the Original Declarant reserved the right to impose a scheme of restrictions, easements, rights and covenants upon property within a Neighborhood which shall be in addition to the Grove Declaration to provide for the creation of a Neighborhood Association to oversee and govern the Neighborhood and to provide for assessments for maintenance and management of that Neighborhood.

WHEREAS, each capitalized term used, and not otherwise defined in these Neighborhood Restrictions, shall have the meaning given to it in the Grove Declaration unless the context otherwise requires. In the case of any inconsistency or conflict among the provisions of the Grove Declaration and these Neighborhood Restrictions, the provisions of the Grove Declaration shall govern. All Neighborhood Restrictions shall be subordinate and inferior to the

BOOK 5220 PAGE 417

Grove Declaration. These Neighborhood Restrictions shall not alter the provisions of the Grove Declaration, but shall only be in addition to the Grove Declaration. Any provision contained in these Neighborhood Restrictions which is in conflict with the Grove Declaration shall be void and of no effect.

NOW, THEREFORE, Declarant hereby declares that all of 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, and which shall run with, the Property and be binding on all parties having any right, title or interest therein or in any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to The Grove Homeowners Association, a Virginia nonstock corporation, its successors and assigns.

Section 2. "Builder" shall mean and refer to any Person who is duly licensed as a contractor and who purchases one (1) or more Lots for the purpose of constructing improvements for later sale to consumers in the ordinary course of such Person's business. Any Person occupying or leasing a Lot for residential purposes shall cease to be considered a Builder with respect to such Lot immediately upon occupancy of the Lot for residential purposes, notwithstanding that such Person originally purchased the Lot for the purpose of constructing improvements for later sale to consumers.

Section 3. "Common Area" shall mean and refer to all real property not included in Lots shown on the Subdivision Plats which shall be owned and maintained by the Association or the Neighborhood Association for the common use and enjoyment of the Owners and shall include, without limitation, any improvements now or hereafter located on or within the Common Area and required by local, state or federal laws or regulations.

Section 4. "Declarant" shall mean and refer to the Original Declarant, and its successors and assigns, specifically including the Successor Declarant, provided that (a) such successors or assigns acquire more than one Unimproved Lot from the Original Declarant for the purpose of constructing improvements thereon, and (b) the Original Declarant assigns to such successors or assigns the Original Declarant's rights hereunder as to the Lots.

Section 5. "Declarant's Utility Rights" shall mean and refer to the exclusive and alienable rights, powers, easements and privileges hereby reserved by the Original Declarant to go on, over, under and upon every portion of the Common Area to erect, lay, construct, install, maintain, repair and use electric, telephone and television wires, cables and conduits, drainage ways, sewers, water lines and water mains and such other utilities and utility systems as the Original Declarant finds necessary or advisable in connection with the development of The Grove Subdivision, including the Property. These rights include the right to cut bushes and trees, grade soil and such other actions reasonably necessary to economically and safely install, repair

BOOK 5220 PAGE 418

and use such utility systems. The Declarant's Utility Rights shall also include the exclusive and alienable right to sell, grant, convey and/or dedicate any utility system (and adjoining area) within the Common Area to the County or one or more public utility companies. The Declarant's Utility Rights shall continue in effect until such time as the Declarant, including any successor Declarant, has conveyed or relinquished all of the Declarant's right, title and interest in and to any portion of the Property and the Additional Land.

Section 6. The "Governing Documents" shall mean and refer to, collectively, this Declaration of Covenants, Conditions and Neighborhood Restrictions, the By- Laws, and the Articles of Incorporation for Scotter Hills/Ridgemoor Townhouse Association, Inc., the rules and regulations of the Neighborhood Association as adopted by the Neighborhood Board and as amended from time to time, and the Standards (as defined in Article V, Section 1). Drafts Bylaws and a copy of the Articles of Incorporation for Scotter Hills/Ridgemoor Townhouse Association, Inc. are attached to this Declaration as Exhibits A-1 and A-2.

Section 7. An "Improved Lot" shall mean and refer to any Lot which has all of the following characteristics:

- (a) a residential dwelling unit approved by the Architectural Control Committee established under the Grove Declaration has been constructed thereon;
- (b) either a permanent or temporary certificate of occupancy has been issued for the residential dwelling unit constructed thereon or one (1) year has passed from the date of issuance of a building permit for such residential dwelling unit; and,
- (c) the Lot has been conveyed to an Owner other than Declarant.

Section 8. "Lot" shall mean and refer to any plot of land shown upon the Subdivision Plats, with the exception of the Common Area.

Section 9. "Member" shall mean and refer to all those Members who are members of the Neighborhood Association as provided in Article III of the Declaration.

Section 10. "Neighborhood Assessment" shall mean and refer to a Member's share of the Neighborhood Expenses from time to time assessed against a Member by the Neighborhood Association in the manner herein provided.

Section 11. "Neighborhood Association" shall mean and refer to Scotter Hills/Ridgemoor Townhouse Association, Inc., a Virginia non-stock corporation, its successors and assigns.

Section 12. "Neighborhood Board" shall mean and refer to the Board of Directors of the Neighborhood Association.

BOOK 5220 PAGE 419

Section 13. "Neighborhood Common Area" shall mean and refer to all Common Area owned by the Neighborhood Association including, without limitation, any improvements now or hereafter located thereon.

Section 14. "Neighborhood Restrictions" shall mean and refer to this Declaration of Neighborhood Restrictions, as the same now exists or may be hereafter amended.

Section 15. "Owner" shall mean and refer to the record owner, whether one or more Persons, of a fee simple title to any Lot which is a part of the Property, including Declarant and Builders, but excluding those having such interest merely as security for the performance of an obligation.

Section 16. "Person" shall mean and refer to a natural person, a corporation, a partnership, a limited liability company, a fiduciary acting on behalf of another person, or any other legal entity.

Section 17. "Unimproved Lot" shall mean and refer to any Lot that is not an Improved Lot.

ARTICLE II
PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association or the Neighborhood Association to charge reasonable admission and other fees for the use of any recreational facility from time to time situated upon the Common Area;

(b) The right of the Association and the Neighborhood Association to suspend the voting rights and right to use of the Common Area by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed 60 days for any infraction of the Association's or the Neighborhood Association's published rules and regulations, provided that access to the Owner's Lot over Common Area is not disturbed or interfered with;

(c) The right of the Association or the Neighborhood Association, as the case may be, to dedicate or transfer all or any part of the Common Area, subject to the Declarant's Utility Rights, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective and no mortgaging of the Common Area to secure a debt shall be effective, unless an instrument signed by two-thirds (2/3) of the members of each class of membership agreeing to such dedication, transfer or mortgaging has been recorded. So long as there is a Class B membership, no mortgaging, dedication or transfer of the Common Area or any part thereof (except for the

BOOK 5220 PAGE 420

dedication of easements for utilities) for public use shall be made to any public body without the prior approval of the United States Department of Housing and Urban Development and the Veterans Administration. If ingress or egress to any Lot is through the Common Area, any mortgage or conveyance of that portion of the Common Area shall be made subject to the Owner's easement.

(d) The rights reserved to Declarant in Article VI, Section 1 (Reservation by Declarant) of these Neighborhood Restrictions.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Neighborhood Association's By-Laws, his right of enjoyment to the Common Area and facilities thereon to the members of his family, his tenants, or contract purchasers who reside on the Lot. If an Owner leases a Lot to a Person, the Owner's right of enjoyment of the Common Area and facilities thereon shall automatically transfer to the Person leasing the Lot, unless the Owner provides written notice to the Association and the Neighborhood Association stating that the Owner will maintain the sole right of enjoyment of the Common Area and facilities thereon. Either the Owner or the Person to whom the Owner is leasing the Lot, but not both, may enjoy the right of enjoyment of the Common Area and facilities thereon, provided, however, the transfer of the right of enjoyment to the tenant shall not disturb or interfere with the Owner's access to the Lot over the Common Area.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Neighborhood Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Neighborhood Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot owned. When more than one Person holds an interest in any Lot, all such Persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but no more than one vote shall be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant which shall be entitled to three (3) votes for each Lot owned. The Class B membership shall terminate and become Class A membership on the first to occur of the following: (a) when seventy-five percent (75%) of the total anticipated number of Lots that may be developed on the Property have certificates of occupancy issued thereon and have been conveyed to Persons other than Builders; (b) on July 1, 2013, or (c) when the Class B member, in his discretion, determines and voluntarily relinquishes such right in a written instrument executed by Declarant and recorded in the Clerk's Office.

Section 3. The affairs of the Neighborhood Association shall be managed by the Neighborhood Board which shall elect the officers of the Neighborhood Association.

ARTICLE IV
COVENANT FOR NEIGHBORHOOD ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Neighborhood Assessments. The Original Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Neighborhood Association the Neighborhood Assessments, which may include: (1) annual assessments or charges, and (2) special assessments for capital improvements and otherwise, such assessments to be established and collected as hereinafter provided. Notwithstanding the foregoing to the contrary, the inclusion of Lots on the Subdivision Plats shall not subject a Lot to assessment under this Article IV until such time as that Lot is conveyed to a Person other than Declarant. With respect to any Lot owned by a Builder, Neighborhood Assessments shall commence on the earlier of (a) actual occupancy of the Lot for residential purposes or (b) two (2) years from the date that such Builder or any entity or Person related to such Builder acquired title to such Lot. The annual and special Neighborhood Assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing pro-rata lien upon the Lot against which each such assessment is made. Each such Neighborhood Assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such property at the time when the Neighborhood Assessment fell due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments and Exterior Maintenance.

(a) The assessments levied by the Neighborhood Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Property, for the improvement and maintenance of Neighborhood Common Area, and such other services and areas of Neighborhood Association responsibility as defined by the Governing Documents. The Neighborhood Association shall, at a minimum, maintain, repair and replace the Common Areas owned by the Neighborhood Association, if any, and each component thereof in a good and workmanlike manner consistent with sound property management practices in accordance with all applicable local, state and federal laws and regulations.

(b) In addition to maintenance upon Neighborhood Common Area, the Neighborhood Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: (a) the repair, maintenance, and replacement of roof shingles, sheathing, felt and flashing; (b) the repair, maintenance, and replacement of gutters and downspouts; (c) the repair, replacement or maintenance of the exterior building surfaces including cornice, trim, and vinyl siding (but specifically excluding doors, windows and their frames); (d) the periodic painting of exterior painted surfaces (including doors, trim and cornice); (e) the maintenance and replacement of trees, shrubs, and grass; (f) the repair, maintenance, and replacement of walks, curbs, parking areas and private roadways; (g) the operation, repair,

5220
0422
1

BOOK 5220 PAGE 422

maintenance, and replacement of the common irrigation system, (h) routine household trash removal services, and other exterior improvements, as determined by the Neighborhood Board in their discretion. If the Neighborhood Board reasonably determines that the need for maintenance or repair is caused through the willful or negligent act of an Owner, his family, or guests, or permittees, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the Neighborhood Assessment to which such Lot is subject. Other than those areas of Neighborhood Association responsibility described in this Article IV, Section 2, each Owner is responsible for the prompt repair, maintenance, and replacement of all other items relating to that Owner's Lot and improvements thereon. In no event shall the Neighborhood Association be responsible for repairing or replacing any portion of a Lot or the improvements thereon if the insurance the Owner is required to maintain pursuant to Article VII, Section 5 covers such repair or replacement.

(c) The Neighborhood Association shall pay any real and personal property taxes and other charges assessed against Neighborhood Common Area.

(d) The Neighborhood Association shall maintain a policy or policies of liability insurance, insuring the Neighborhood Association and its agents, guests, permittees, and invitees and the Owners of the Lots against liability to the public or to the Owners, their guests, permittees or invitees incident to the ownership or use of Neighborhood Common Area, if any, in an amount not less than a combined single limit per occurrence (bodily injury and/or property damage) of One Million Dollars (\$1,000,000) and a Five Hundred Thousand Dollar (\$500,000) aggregate limit (maximum limit for the policy period), unless the cost of the premiums for such coverages are unreasonably high for the Neighborhood Association to bear, as determined by the Neighborhood Board in their discretion. The foregoing limits shall be reviewed at intervals of not more than three (3) years and adjusted if necessary to provide such coverage and protection as the Neighborhood Association may deem prudent.

(e) For the sole purpose of performing the exterior maintenance required by this Article, the Neighborhood Association, through its duly authorized agents or employees, shall have the right, after written notice to the Owner at least two days in advance, to enter upon any Lot or upon the exterior of any residence upon a Lot at reasonable hours of any day except Sunday; provided, however, that no prior notice shall be required in the event of an emergency, but the Neighborhood Association shall endeavor to provide as much prior notice as reasonably possible under the circumstances.

Section 3. Maximum Annual Assessment. An annual Neighborhood Assessment per Lot shall be established for Improved Lots, as of January 1 of the year immediately following the conveyance of the first Improved Lot to an Owner other than Declarant or a Builder. The annual Neighborhood Assessment for Unimproved Lots shall not be more than twenty-five percent (25%) of the annual Neighborhood Assessment for Improved Lots.

(a) From and after January 1 of the year immediately following the conveyance of the first Improved Lot to an Owner other than Declarant or a Builder, the maximum annual Neighborhood Assessment may be increased each year above the maximum

BOOK 5220 PAGE 423

Neighborhood Assessment for the previous year, without a vote of the membership, by not more than twenty percent (20%).

(b) From and after January 1 of the year immediately following the conveyance of the first Improved Lot to any Owner other than Declarant or a Builder, any budget and resulting annual Neighborhood Assessment approved by the Neighborhood Board which is more than twenty percent (20%) greater than the previous year's annual Neighborhood Assessment must be presented to the members at the annual meeting of the Neighborhood Association preceding the fiscal year in which such assessment shall go into effect. The annual Neighborhood Assessment described above shall go into effect automatically on the first day of the succeeding fiscal year unless disapproved by a vote of two-thirds (2/3), or more, of each class of Members present, in person or by proxy, at a meeting duly called for this purpose and at which a quorum is present.

(c) The Neighborhood Board may fix the annual Neighborhood Assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual Neighborhood Assessments authorized above, and in addition to, and not in limitation of, such other special assessments as may be authorized by applicable law (the Virginia Property Owners Association Act, Code of Virginia 55-508 et seq., for example), the Neighborhood Association may levy, in any assessment year, a special assessment for each Improved Lot, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair or replacement of any capital improvement upon any Common Area owned by the Neighborhood Association, including fixtures and personal property related thereto, or any other area of Neighborhood Association responsibility, as defined in the Governing Documents, provided that any such special assessment shall be approved by a vote of two-thirds (2/3), or more, of each class of members present, in person or by proxy, at a meeting duly called for this purpose and at which a quorum is present.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 of this Article shall be sent to all members not less than twenty-one (21) days, nor more than forty-five (45) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, the meeting may be adjourned and reconvened, and the required quorum at the reconvened meeting shall be one-third (1/3) of the votes of each class of membership in person or by proxy. No such reconvened meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for Improved Lots and at a uniform rate for Unimproved Lots and may be collected on a monthly, bi-monthly, quarterly, semi-annual or annual basis, as determined by the Neighborhood Board.

BOOK 5220 PAGE 424

Section 7. Date of Commencement of Annual Neighborhood Assessments: Due Dates. The annual Neighborhood Assessments provided for herein shall commence as to all Lots on the sooner to occur of (a) the first day of the month following the date upon which services are first provided to the Owners by the Neighborhood Association, or (b) the first day of the month following the conveyance of maintenance responsibilities for Common Areas to the Neighborhood Association. The first annual assessment shall be adjusted pro rata according to the number of months remaining in the calendar year. The Neighborhood Board shall fix the amount of the annual Neighborhood Assessment against each Lot at least thirty (30) days in advance of each annual Neighborhood Assessment period. Written notice of the annual Neighborhood Assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Neighborhood Board. The Neighborhood Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Neighborhood Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Neighborhood Association as to the status of assessments against a Lot is binding upon the Neighborhood Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Neighborhood Assessments: Remedies of the Neighborhood Association. Any assessment or installment thereof not paid within fifteen (15) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum, or the maximum amount allowed by law, together with a late charge in the amount of the greater of ten dollars (\$10.00) or ten percent (10%) of the assessment amount that is due and unpaid. The Neighborhood Association may bring an action at law against the Owner personally obligated to pay such assessment, or foreclose the lien against the delinquent Owner's Lot, or exercise the rights reserved in Section 1(b) of Article II of this Declaration. If assessments are payable in installments and if any installment of assessments is not paid within thirty (30) days after the date when due, then the entire balance of all unpaid installments of such assessment may be declared immediately due and payable in full. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of Common Areas or abandonment of his Lot.

Section 9. Road Fund. The Neighborhood Association shall establish a Road Fund to cover the cost to construct, repair, rehabilitate, resurface and otherwise maintain the Neighborhood Association's private roads in the Neighborhood ("Neighborhood Roads"); to provide for the maintenance and clean up of Neighborhood Roads, including snow removal; and to provide and maintain drainage along Neighborhood Roads. The annual assessment levied by the Neighborhood Association against the Owners shall include an initial contribution to the Road Fund of not less than \$19,500 for every mile of constructed Neighborhood Roads. These amounts shall be deposited by the Neighborhood Association into a separate Road Fund on or before December 31st of each year. The Neighborhood Board may increase the required annual assessment for the Road Fund upon a finding that such amounts are inadequate to accomplish the ends for which the Road Fund was established. In such event, the Neighborhood Board shall notify the Owners within ten (10) days of the date it votes to increase the required annual assessments for the Road Fund. Any amount remaining in the Road Fund at the end of any fiscal year shall remain in the Road Fund from year to year. If the balance in the Road Fund reaches an amount equal to 150% of the amount needed, as determined below, to completely remove and replace all Neighborhood Roads, the Neighborhood Board shall be authorized, if it deems it to be

BOOK 5220 PAGE 425

in the best interests of the Neighborhood Association, to reduce for any one (1) year the required annual contribution to the Road Fund. If the Board of Directors decides to consider a reduction in required annual contributions to the Road Fund, the Neighborhood Board shall obtain three (3) bids from contractors, licensed by the Commonwealth of Virginia to perform construction work of the Neighborhood Roads, for complete removal and replacement of all Neighborhood Roads. The highest bid shall be used as the basis for determining the maximum amount of funds needed in the Road Fund.

Section 10. Subordination of the Lien to Mortgages and Other Liens. The lien of the assessments provided for herein shall be subordinate and inferior to the lien for real estate taxes and bona fide duly recorded first deeds of trust on each Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or any proceeding in lieu thereof 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 Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Initial Working Capital Assessment. In addition to all assessments, an initial working capital assessment shall be payable by the initial purchaser of each Lot to the Neighborhood Association at the closing of the first bona fide sale of the Lot to an Owner by a Builder. The amount of the initial working capital assessment shall be equal to two monthly installments of the annual assessment for the year in which the closing occurs.

ARTICLE V
PARTY WALLS.

Section 1. General Rules of Law to Apply. Each wall, which is built as a part of the original construction of the homes upon the Property and placed on the dividing line between the Lots, shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use. Any disputes over the reasonableness of the cost of such repair and maintenance shall be resolved in accordance with Section 6 of this Article.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

BOOK 5220 PAGE 426

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the Owner's Lot and shall pass to such Owner's successors in title.

Section 6. Arbitration. Upon any dispute arising concerning a party wall, or under the provisions of this Article, the parties may choose to resolve such dispute through binding arbitration. In such case, the Neighborhood Board shall act as the arbitrator. However, if the parties object to the Neighborhood Board acting as the arbitrator, then each party shall choose one arbitrator, and each arbitrator shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. If the parties fail to use the Neighborhood Board as the arbitrator, the fees of the arbitrators used shall be borne by the parties, and the arbitrators may elect to award the prevailing party the right to contribution for such fees from the non-prevailing party.

ARTICLE VI
EASEMENTS

Section 1. Reservation by Declarant. Declarant reserves unto itself, its successors and assigns, a perpetual easement and right of way on, over, along and under the streets and roads of the Property and over the easement areas designated in this Declaration to install, maintain and use underground electric, cable television and telephone wires, cables, conduits, drainage ways, sewers, water mains and other equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, drainage or other public conveniences or utilities as may be necessary or desirable to serve The Grove Subdivision, including the Property. These easements and rights expressly include the right to cut any trees, bushes or shrubbery or to take any other action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance.

Section 2. Adjoining Areas. Each Lot and its Owner are hereby declared to have an easement and the same is hereby granted by the Declarant over all adjoining Lots and Common Areas, as the case may be, for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause, providing such encroachments do not exceed one foot or touch any building or interfere with the use of any improvements on the servient property. There shall be valid easements for the maintenance of such encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if the encroachment occurred due to the willful misconduct of the Owner or Owners.

Section 3. Overhanging Roofs and Eaves. Each Lot and its Owner are hereby declared to have an easement and the same is hereby granted by the Declarant, over each adjoining Lot and the Common Area, as the case may be, for over-hanging roofs and eaves

BOOK 5220 PAGE 427

attached to improvements on the Lot, provided, however, that such encroachments may not exceed one foot.

Section 4. Duties of the Neighborhood Association. There is hereby reserved to the Neighborhood Association such easements over, through and across the Property as are necessary to perform the duties and obligations of the Neighborhood Association as are set forth in Article IV above.

Section 5. Hedges and Fences. Each Lot and its Owner are hereby declared to have an easement and the same is hereby granted by the Declarant, for encroachments on adjoining Lots or Common Area, as the case may be, due to hedges or fences belonging to such Lot, to the extent such hedge or fence encroaches on adjoining Lots or Common Area. Notwithstanding the foregoing, no fence shall be erected without the permission of the Board of Directors of the Association or the Architectural Committee acting on behalf of the Board of Directors of the Association, as required by the Grove Declaration.

Section 6. Priority of Easements. Each of the easements hereinabove referred to shall be deemed to have been established upon the recordation of these Neighborhood Restrictions and shall henceforth be deemed to be covenants running with the land for the use and benefit of the Lots, and the Common Area, as the case may be, superior to all other encumbrances which may hereafter be applied against or in favor of the Property or any portion thereof.

ARTICLE VII
PARTICULAR RESTRICTIONS AND INSURANCE REQUIREMENTS

Section 1. Noxious or Offensive Activity. No noxious or offensive activity shall be carried on or upon any Lot or any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance, public or private, to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective dwelling unit, or which shall in any way increase the rate of insurance.

Section 2. Animals. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that two of either a dog, cat or other household pet may be kept on a Lot provided that it is not kept, bred or maintained for any commercial purpose. Notwithstanding the foregoing, no animals or fowl may be kept on the Property which result in any annoyance or are obnoxious to residents in the vicinity, and each Owner shall be absolutely liable to each and all remaining Owners, their families, guests, permittees and invitees, and to the Neighborhood Association, for any and all damage to person or property caused by any pets brought upon or kept upon the Lots or the Common Area by any Owner or by members of his family, guests, permittees or invitees. If any such animal is kept in the rear yard of the Lot, maintenance services may be withheld without credit or rebate to the Owner. No Owner shall permit any dog to be let out of that Owner's unit unless the dog is kept within a fence or on a

BOOK 5220 PAGE 428

leash. Any Owner keeping an animal on a Lot will comply with all requirements of law applicable to such animal.

Section 3. Prohibited and Restricted Vehicles. Parking of recreational vehicles, boats, trailers and campers is prohibited on the Property. Commercial vehicles (weighing in excess of three-fourths of a ton when empty), vehicles primarily used or designated for commercial purposes, tractors and buses shall not be parked on any street or in a front yard, but shall be parked only in enclosed garages or in other areas, if any, designated by the Neighborhood Board. 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. Notwithstanding the foregoing, service and delivery vehicles may be parked on 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 the Rules and Regulations promulgated by the Neighborhood Board may be towed.

Section 4. Residential Use. All Improved Lots shall be used for single family residential purposes exclusively. The use of a portion of any Improved Lot for business purposes by the owner or occupant thereof shall be considered a residential use only if the Improved Lot is used primarily for residential purposes, and if such business use (i) is not detectable by sight, sound or smell from the exterior of the residence, (ii) is consistent with zoning and does not violate applicable law; (iii) does not increase the liability or casualty insurance premium or obligation of the Neighborhood Association or of other residents of the Property; and (iv) does not create any customer or client traffic to and from the Improved Lot. The use of an Improved Lot shall not be deemed to be for single family purposes if the Improved Lot is used (whether by common owners or tenants) by more than three (3) unrelated persons as a residence.

Section 5. Fire Insurance and Extended Coverage. Each Owner shall be responsible for securing insurance policies for fire and extended coverage for the structure on each individual Lot, in an amount equal to 100% of the then current replacement cost of the property (excluding land, foundations, excavations and other items that are usually excluded from such coverage) without deduction for depreciation. Copies of all policies and any renewals shall be filed with the Neighborhood Board within thirty (30) days after written request by the Neighborhood Board. The Neighborhood Board reserves the right to approve all policies.

Section 6. Rentals. Improved Lots shall not be leased unless the lease is subject in all respects to the terms and provisions of the Governing Documents. The Neighborhood Board may adopt regulations requiring the use of a lease form or addendum approved by the Neighborhood Board for this purpose and establish minimum requirements for leases including, without limitation, minimum lease terms and rules requiring that an entire Improved Lot be leased instead of a portion thereof.

Section 7. Neighborhood Board as Agent. The Neighborhood Board is hereby irrevocably appointed as the agent for each Owner of a Lot and for each mortgagee of a Lot to adjust all claims arising under any insurance policy or policies purchased by the Neighborhood

BOOK 5220 PAGE 429

Board, provided, however, that no adjustment shall be deemed binding until concurred in by any mortgagee affected thereby.

Section 8. Insurance Trustee. The Neighborhood Board may from time to time designate as an insurance trustee, a bank, trust company, savings and loan association, insurance company, or any financial institution to discharge the duties and responsibilities of the Neighborhood Board and the Neighborhood Association relating to insurance proceeds. The Neighborhood Board shall pay the fees and disbursements of any insurance trustee and such fees and disbursements shall constitute a common expense of the Owners to be included as part of the annual assessment provided in Article IV hereof.

Section 9. Curbing. If required by the County, some or all of the curbing installed on the Property shall be painted yellow. Owners shall take no action which would have a detrimental effect on the painted curbing, and the Neighborhood Association shall maintain the painted condition of the curbing.

ARTICLE VII: ENFORCEMENT

Section 1. Enforcement. Declarant, the Association, the Neighborhood Association or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. If, in any litigation for the enforcement of these covenants, conditions and restrictions, the Declarant, the Association, the Neighborhood Association or any Owner bringing suit prevails, such Person shall be entitled to be reimbursed for reasonable attorney's fees incurred in seeking such enforcement. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Invalidation. Invalidation of any of these covenants by judgment or court order shall in no way affect any of the other provisions hereof which shall remain in full force and effect.

ARTICLE IX TERM AND AMENDMENT

Section 1. Term. These covenants shall run with the land and shall be binding on all parties and all Persons claiming under them for a period of twenty (20) years from the date these covenants are recorded, after which time they shall automatically be extended for additional ten (10) year periods, unless an instrument signed by at least two-thirds (2/3) of the then Owners of the Lots has been recorded, agreeing to change the covenants in whole or in part.

Section 2. Amendment. These Neighborhood Restrictions may be amended by an instrument approved by at least two-thirds (2/3) of the Owners; provided, however, that no approval of the Owners shall be required to make any technical amendment to these Neighborhood Restrictions as requested by any government agency, mortgagee or insurer which does not materially or adversely affect the rights of the Owners. Any amendment must be

BOOK 5220 PAGE 430

recorded in the Clerk's Office and must either be signed by at least two-thirds of the Owners or have appended to it an acknowledged certificate of the secretary of the Neighborhood Association that the Amendment has been approved as required hereby. Notwithstanding the foregoing, as long as there is a Class B Membership, no amendment to these Neighborhood Restrictions shall be permitted without the prior written approval of the United States Department of Housing and Urban Development. As long as there is a Class B membership, the annexation of additional properties shall require the prior approval of the United States Department of Housing and Urban Development.

ARTICLE X
GENERAL PROVISIONS

Section 1. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

Section 2. Liability and Indemnification of Declarant, Officers and Directors. The Neighborhood Association shall indemnify the Declarant and every officer and director of the Neighborhood Association against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon the Declarant, any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors) to which the Declarant, an officer or director may be made a party by reason of being or having been the Declarant or an officer or director of the Neighborhood Association regardless of whether he is the Declarant or an officer or director at the time such expenses are incurred. The Declarant, officers and directors of the Neighborhood Association shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Declarant and the officers and directors of the Neighborhood Association shall have no personal liability with respect to any contract or other commitment (including any BMP agreement made and entered into by the Declarant) made by them, in good faith, on behalf of the Neighborhood Association (except to the extent of such officers', directors' or the Declarant's obligations as Lot Owners) and the Neighborhood Association shall indemnify and forever hold the Declarant and each officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which the Declarant or any officer or director of the Neighborhood Association, or former officer or director of the Neighborhood Association or the Declarant, may be entitled.

Section 3. Conflict. In the event of a conflict in the terms of this Declaration and the Grove Declaration, the terms of the Grove Declaration shall control.

5220
0431

BOOK 5220 PAGE 431
ARTICLE XI
MEMBERSHIP IN THE GROVE ASSOCIATION

Each Owner (with the exception of the Declarant) shall automatically become a Member of the Association upon the conveyance of a Lot from the Declarant to such Owner, and, by accepting a deed of conveyance, each Owner agrees to become a Member of the Association and to pay applicable dues and assessments of the Association; provided, however, each Owner shall have all rights and privileges of a member of the Association, including the right to vote in the affairs of such Association. It is understood that a portion of the dues and assessments paid to the Association are used for the establishment and maintenance of a Sidewalk Fund in accordance with the provisions of Section 5.07 of the Grove Declaration. Any assessments by these Neighborhood Restrictions shall be in addition to the assessments imposed by the Grove Declaration and payment of Neighborhood Assessments shall not in any way constitute or be credited towards the payment of assessments imposed by the Declaration.

IN WITNESS WHEREOF, the undersigned Declarant has caused this Declaration to be executed as of this ____ day of July, 2003.

THE GROVE, L.P., a Virginia limited partnership

BY: MAYLAND INVESTMENT COMPANY, a Virginia corporation, General Partner

By: [Signature]
Title: Manager

CENTEX HOMES, a Nevada corporation

By: [Signature]
Title: Division Manager

5220
0432

BOOK 5220 PAGE 432

COMMONWEALTH OF VIRGINIA

STATE AT LARGE, to-wit:

City of Richmond

The foregoing instrument was acknowledged before me this 11 day of July, 2003, by Herbert E. Fitzgerald Manager of Mayland Investment Company, a Virginia corporation, General Partner of The Grove, L.P., a Virginia limited partnership, on its behalf.

My commission expires: July 31, 2004

John R. Allen, Jr.
Notary Public

COMMONWEALTH OF VIRGINIA

STATE AT LARGE, to-wit:

The foregoing instrument was acknowledged before me this 9th day of July, 2003, by Keith Wood, as Div. President of Centex Homes, a Nevada corporation, on its behalf.

My commission expires: April 30, 2005

Elaine Reeder
Notary Public

I:\WMCD\LIB\HUGH\HAR\0935059.04

5220
0433

Exhibit A-1

BOOK 5220 PAGE 433

BYLAWS
OF
SCOTTER HILLS/RIDGEMOOR
TOWNHOUSE ASSOCIATION, INC.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I - NAME AND LOCATION	1
ARTICLE II - DEFINITIONS	1
Section 1. Member	1
Section 2. Initially Capitalized Words.....	1
ARTICLE III - MEETING OF MEMBERS.....	1
Section 1. Annual Meetings	1
Section 2. Special Meetings	2
Section 3. Notice of Meetings	2
Section 4. Order of Business	2
Section 5. Voting at Meetings	2
Section 6. Multiple Votes	2
Section 7. Quorum	3
Section 8. Proxies	3
ARTICLE IV - BOARD OF DIRECTORS: SELECTION, REMOVAL AND COMPENSATION.....	4
Section 1. Number and Term.....	4
Section 2. Nomination	4
Section 3. Election.....	4
Section 4. Removal.....	4
Section 5. Compensation.....	5
ARTICLE V - MEETING OF DIRECTORS	5
Section 1. Regular Meetings	5
Section 2. Special Meetings	5
Section 3. Quorum	5
Section 4. Action Taken Without a Meeting.....	5
ARTICLE VI - POWERS AND DUTIES OF THE BOARD OF DIRECTORS.....	6
Section 1. Powers	6
Section 2. Duties	7
ARTICLE VII - OFFICERS AND THEIR DUTIES	8
Section 1. Enumeration of Officers	8

BOOK 5220 PAGE 435

Section 2. Election of Officers	8
Section 3. Term	8
Section 4. Special Appointments	8
Section 5. Resignation and Removal	8
Section 6. Vacancies	9
Section 7. Multiple Offices	9
Section 8. Duties	9
 ARTICLE VIII - LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS	10
Section 1. Liability and Indemnification of Officers and Directors	10
Section 2. Common or Interested Directors	10
Section 3. Exculpation of the Association	11
 ARTICLE IX - MANAGEMENT AGENT AND EMPLOYEES	11
 ARTICLE X - ENFORCEMENT	12
Section 1. Sanctions	12
Section 2. Notice	12
Section 3. Hearing	12
Section 4. Exceptions to Notice and Hearing Requirements	12
Section 5. Application of Sanctions	13
Section 6. Additional Enforcement Rights	13
Section 7. Non-Waiver	13
 ARTICLE XI - BOOKS AND RECORDS	13
 ARTICLE XII - AMENDMENTS, DISSOLUTION AND CONFLICTS	13
Section 1. Amendment by Members	13
Section 2. HUD/VA Approval	14
Section 3. Dissolution	14
Section 3. Conflicts	14
 ARTICLE XIII - FISCAL YEAR	14
 ARTICLE XIV - INTERPRETATION	14

BYLAWS

OF

SCOTTER HILLS/RIDGEMOOR
TOWNHOUSE ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Scotter Hills/Ridgemoor Townhouse Association, Inc. (the "Association"). The principal office of the corporation shall be initially located at 3951 Westerre Parkway, Suite 160, Richmond, Virginia 23233, but meetings of members and directors may be held at such places within the Commonwealth of Virginia, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. Member. "Member" is defined as any person entitled to membership in the Association, as set forth in the "Declaration". The Declaration is defined as that certain "Declaration of Covenants, Conditions and Restrictions for Scotter Hills/Ridgemoor Townhouse Association, Inc. (the "Declaration") which has been recorded in the Clerk's Office of the Circuit Court of the County of Chesterfield, Virginia, in Deed Book _____, Page _____, and all amendments and annexations thereto.

Section 2. Initially Capitalized Words. Certain initially capitalized words or terms not defined in these Bylaws shall have the same meaning as set forth in the Declaration, the terms of which are incorporated herein by this reference.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held on _____, 2004. Each subsequent regular annual meeting of the Members shall be held on _____.

BOOK 5220 PAGE 437

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of Members who are entitled to cast one fourth (1/4) of all of the votes entitled to be cast by the Members.

Section 3. Notice of Meetings. Except as may otherwise be provided in these Bylaws or in the Declaration, written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting. A copy of the notice shall be hand delivered or mailed, postage prepaid, (a) if for a regular meeting, no less than fourteen (14) days and no more than thirty (30) days before such meeting, (b) if for a special meeting, no less than seven (7) days and no more than thirty (30) days before such meeting, and (c) if for a meeting to act on an amendment to the Articles of Incorporation, a plan of merger, a proposed sale of assets other than in the Association's usual course of business, or dissolution of the Association, no less than twenty-five (25) nor more than sixty (60) days before such meeting, to each Member entitled to vote thereat, addressed to the Member's address currently appearing on the books of the Association, or supplied in writing by such Member to the Association for the purpose of notice. This notice shall specify the place, day and hour of the meeting, and the purpose of the meeting. A Member may waive notice of any meeting by submitting a signed waiver to the secretary or by attendance at the meeting.

Section 4. Order of Business. The order of business at all meetings of the Association shall be as follows:

- (a) Roll call and establishment of a quorum;
- (b) Proof of notice of meeting;
- (c) Approval of minutes of preceding meeting;
- (d) Reports of officers and Board of Directors, when appropriate;
- (e) Reports of committees, when appropriate;
- (f) Discussion of budget, when appropriate;
- (g) Election of members of the Board of Directors
(when so required);
- (h) Unfinished business; and lastly,
- (i) New business.

Section 5. Voting at Meetings. Unless greater than a majority vote is otherwise required by the Virginia Nonstock Corporation Act (the "Act"), the Articles of Incorporation, the Declaration or these Bylaws, the vote, by the Members, of more than fifty percent (50%) of the votes entitled to be cast at a duly convened meeting at which a quorum is present is required to adopt decisions made at any meeting of the Association.

Section 6. Multiple Votes. When more than one person holds an interest in property within the Property: (i) the vote for such property shall be

BOOK 5220 PAGE 438

exercised as the co-owners among themselves determine, but no more votes may be cast with respect to such property than have been allocated to such property; (ii) if only one co-owner of property casts the votes allocable to that property, the presiding officer at the meeting at which such vote is to be cast shall deem that the vote allocable to such property is to be cast by such co-owner; and (iii) if the parties together entitled to cast a vote with respect to property in which they hold a co-interest cannot among themselves determine how to exercise such vote, the presiding officer of the meeting at which such vote is to be cast shall disallow the vote with respect to such property.

Section 7. Quorum.

(a) General Quorum Requirements. At any meeting of Members, the presence at the beginning of the meeting, whether by proxy or in person, of Members entitled to cast twenty-five percent (25%) of the votes entitled to be cast by all of the Members shall constitute a quorum for any action except as provided in subparagraph (b) below and as otherwise provided in the Act, the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn and reconvene the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented. The required quorum at the reconvened meeting shall be ten percent (10%) of the votes entitled to be cast by all of the Members. In determining whether a quorum exists at any meeting of the Members, the presiding officer, if he or she wishes to, shall be entitled to rely upon the representation of the Declarant as to the number of votes it is entitled to at any given time without further inquiry.

(b) Special Quorum Requirements. At any meeting of the Members called for the purpose of taking any action pursuant to the Declaration, the number of votes required by the Declaration for the approval of the action shall also constitute a quorum.

Section 8. Proxies. At any meeting of the Association, Members may cast their votes in person or by proxy. All proxies shall be in writing in accordance with the approved form of proxy attached hereto as Exhibit A, and filed with the presiding official of the meeting at which the vote is to be cast. Every proxy shall be revocable and shall automatically terminate (1) upon conveyance by the Member of the property to which the vote pertains, or (2) if the Member giving the proxy personally attends the meeting to which the proxy pertains.

BOOK 5220 PAGE 439

ARTICLE IV

BOARD OF DIRECTORS: SELECTION, REMOVAL AND COMPENSATION

Section 1. Number and Term. The affairs of the Association shall be managed by the Board of Directors. During the Declarant Control Period, the Board of Directors shall be comprised of at least two (2) directors, but not more than five (5) directors, none of whom need be Members. At the first annual meeting after the expiration of the Declarant Control Period, the Members shall elect five (5) directors. The three (3) persons receiving the highest number of votes shall serve for terms of two (2) years each. The persons receiving the fourth and fifth highest number of votes shall serve for terms of one (1) year each. Thereafter, Directors shall serve for terms of two (2) years each. Directors' terms of office shall commence on the first day of the fiscal year succeeding the fiscal year in which they were elected. Directors may be elected for an unlimited number of terms.

Section 2. Nomination. After the termination of the Declarant Control Period, nomination for election to the Board of Directors shall be made by a Nominating Committee, except that no nomination shall be required where the members of the Board of Directors select a successor pursuant to Article VI, subsection 1(j) of these Bylaws. Nominations may also be made by Members from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members. The Nominating Committee shall be appointed by the Board of Directors to serve from the close of each annual meeting of the Members until the close of the next annual meeting or until their successors are duly elected, if later. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 3. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 4. Removal. After the expiration of the Declarant Control Period, any director may be removed from the Board of Directors, with or without cause, by more than fifty percent (50%) of the votes entitled to be cast by all of the Members, and the successor to the director so removed by the Members shall be selected by the Members at the time of such removal. Upon the death, resignation or removal of a director by the Board of Directors as permitted by Article VI, subsection 1(j), a successor shall be selected by the

remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor.

Section 5. Compensation. No director shall receive compensation for any service he may render to the Association unless such compensation is approved by seventy-five percent (75%) of the votes entitled to be cast by all of the Members. However, any director may be reimbursed for his actual expenses reasonably incurred in the performance of his duties.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors may be held as the Board of Directors deems necessary, or as infrequently as annually, at such place and hour as may be fixed from time to time by resolution of the Board of Directors. No other notice shall be required. Should a meeting fall upon a legal holiday or weekend, then that meeting shall be held at the same time on the next day which is not a legal holiday or weekend.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after at least three (3) business days' notice of the meeting is hand delivered or mailed to each director specifying the time and place of the meeting and the business to be transacted thereat. Notice of special meetings may be waived by submitting a signed waiver to the secretary or by attendance at the meeting.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all the directors or pursuant to a telephonic meeting, as permitted by Virginia law. Any action so approved shall have the same effect as though taken at a meeting of the directors.

BOOK 5220 PAGE 441

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. In addition to all other powers granted in these Bylaws or in the Declaration, plus all powers conferred by law or inferred from obligations imposed by them, the Board of Directors shall have power to:

(a) Subject to the provisions of Article X of these Bylaws, suspend a Member's voting rights and right to use any of the Common Area (except for the right to use roadways for ingress and egress to such Member's Lot) during any period in which the Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended for a period not to exceed thirty (30) days for any single and non-recurring infraction of any published rules and regulations or breach of or default under any of the covenants or provisions contained in the Declaration. If any such infraction, breach or default is continuous or recurring, then such rights may be suspended for a period commencing as of the hearing required under section 3 of Article X of these Bylaws and ending not more than sixty (60) days after the date such infraction, breach or default ceases or is remedied;

(b) Commence to foreclose the liens imposed by the Declaration against any property within the Property for which assessments are not paid when due or bring an action at law against the Member personally obligated to pay the same, or both. In addition, to the extent permitted by law, the Board may assess a late charge as provided in the Declaration on each assessment or installment thereof not paid within the grace period, if any, permitted for such late payment.

(c) Exercise for the Association the right to own, maintain, improve or develop the Common Area as provided in the Declaration;

(d) Exercise for the Association the right to dedicate or transfer Common Area to any public agency, authority or utility as provided in the Declaration;

(e) Permit the temporary use of the Common Area for parking and promulgate regulations governing the same;

(f) Exercise for the Association the right to charge reasonable admission fees for the use of any facilities in the Common Area;

(g) Promulgate rules and regulations governing the use of, and activity upon, the Common Area. All rules and regulations promulgated by the Board of Directors shall be published and distributed to each Member at his

BOOK 5220 PAGE 442

record address at least thirty (30) days prior to the effective date of such rules and regulations;

(h) Enforce the decisions and regulations of the Architectural Committee by any lawful means;

(i) Exercise on behalf of the Association the right to annex real property to the provisions of the Declaration and jurisdiction of the Association as provided in the Declaration;

(j) Declare the office of a member of the Board of Directors to be vacant if such member shall be absent from three (3) consecutive regular meetings of the Board of Directors and appoint a successor member to fill such vacancy for the remaining term of the vacating member; and

(k) Exercise for the Association all powers, duties and authority (i) vested in or delegated to the Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, and (ii) vested in or delegated to the Board of Directors by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.

Section 2. Duties. In addition to all other duties imposed by these Bylaws or the Declaration, it shall be the duty of the Board of Directors to:

(a) Cause to be kept a record of its acts and corporate affairs;

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(i) Fix the amount of the annual assessment, the special assessment and other assessments provided for in the Declaration to every Member subject thereto; and

(ii) Send written notice of each assessment to every Member subject thereto at the Member's record address as required by the Declaration;

(d) Provide for the preparation of the disclosure information required by the Act.

(e) Procure and maintain adequate liability and hazard insurance on property owned or leased by the Association and such other additional coverages as required by the Declaration;

- (f) File and adjust all claims arising under such insurance;
- (g) Cause all officers, employees or agents having fiscal responsibilities to be bonded, if fidelity bonds are reasonably available, the cost of which bonds shall be common expenses of the Association;
- (h) Appoint members of the Architectural Committee as provided in the Declaration and appoint a Nominating Committee, as provided in these Bylaws. The Board of Directors may appoint other committees as it deems appropriate in carrying out its duties; and
- (i) Enforce the decisions and regulations of the Architectural Committee by any lawful means.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a president, who shall at all times be a member of the Board of Directors, a vice president, a secretary and a treasurer and such other officers as the Board of Directors may from time to time by resolution create.

Section 2. Election of Officers. An organizational meeting of the Board of Directors shall be held within thirty (30) days after the annual meeting of the Members. The election of officers shall take place at the organizational meeting.

Section 3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year or, if later, until their respective successors are elected, unless any shall sooner resign, or shall be removed, or otherwise disqualified to serve. Officers may be reelected for an unlimited number of terms.

Section 4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require. Each such officer shall hold office for such period, have such authority and perform such duties as the Board of Directors may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or, if later, such time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

BOOK 5220 PAGE 444

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The same person shall be permitted to simultaneously hold more than one of any of the offices described in Sections 1 and 4 of this Article, except for the president and unless prohibited by the Act.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall (i) preside at all meetings of the Board of Directors; (ii) see that orders and resolutions of the Board of Directors are carried out; (iii) sign all leases, mortgages, deeds and other written instruments on behalf of the Association; and (iv) sign on behalf of the Association all promissory notes. In addition, the president shall exercise and discharge such other duties as may be required of him by the Board of Directors and shall have all the rights and duties of a president of a nonstock corporation under the Act.

(b) Vice President. The vice president shall act in the place and stead of the president upon the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

(c) Secretary. The secretary shall (i) record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; (ii) serve notice of meetings of the Board of Directors and of the Members, (iii) keep appropriate current records showing the Members together with their addresses; and (iv) perform such other duties as required by the Board of Directors.

(d) Treasurer. The treasurer shall be responsible for performing the following tasks or causing them to be performed: (i) receive and deposit in appropriate bank accounts all monies of the Association; (ii) disburse funds of the Association as directed by resolution of the Board of Directors; (iii) sign all checks of the Association; (iv) keep proper books of account; (v) if required by the Board of Directors, cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year; and (vi) prepare a statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver a copy of such statements to the Members.

BOOK 5220 PAGE 445

ARTICLE VIII

LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer, director and committee member of the Association against any and all expenses, including, without limitation, attorneys' fees, reasonably incurred by or imposed upon any officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors) to which the officer, director or committee member may be made a party by reason of being or having been an officer, director or committee member of the Association regardless of whether he is an officer, director or committee member at the time such expenses are incurred. The officers, directors and committee members of the Association shall not be liable to the Members for any mistake of judgment, negligence, or otherwise. The officers, directors and committee members of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers, directors or committee members are liable as Members) and the Association shall indemnify and forever hold each officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member of the Association, or former officer, director or committee member of the Association, may be entitled.

Section 2. Common or Interested Directors.

(a) The Board of Directors shall exercise its powers and fulfill its duties in good faith and with a view to the best interests of the Association. A contract or other transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association (including the Declarant) in which one or more of the directors of the Association are directors or officers or are pecuniarily or otherwise interested, shall not be void or voidable because such director or directors are present or vote at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, provided that the conditions specified in at least one of the following subsections exist:

(i) The fact of the common directorate or interest is disclosed or known to the Board of Directors or noted in the minutes and a majority of the noninterested members of the Board of Directors authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

BOOK 5220 PAGE 446

(ii) The fact of the common directorate or interest is disclosed or known to the Members, or a majority thereof, and a majority of the Members, without including the vote of any interested director, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose; or

(iii) The cost of any services or goods contracted for is competitive with the cost of like services or goods provided by other reputable companies offering such services or goods in the Richmond, Virginia metropolitan area; or

(iv) The contract or transaction is commercially fair and reasonable for the Association at the time it is authorized, ratified, approved or executed.

(b) A common or interested director may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction between the Association and the common or interested director and may vote thereat to authorize any contract or transaction subject to this Section.

Section 3. Exculpation of the Association. The Association shall not be liable for injury or damage to any person or property caused by the elements, any Member, or any other person, or resulting from electricity or water, snow or ice upon or which may leak or flow from any portion of any Common Area or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles from any part of the Common Area. No diminution or abatement of any assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to any Common Area or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE IX

MANAGEMENT AGENT AND EMPLOYEES

The Board of Directors may in its sole discretion engage a management company to act as its agent, or may hire an employee or employees, in carrying out the collection and enforcement of assessments, and such other duties which are regular and prudent to delegate to a management agent.

BOOK 5220 PAGE 447

ARTICLE X

ENFORCEMENT

Section 1. Sanctions. The Board of Directors shall have the power to impose the sanctions and remedies made available to the Association or the Board of Directors by the Declaration, these Bylaws, the Act or other laws, upon the violation by a Member of any duty created under the Declaration, these Bylaws, any rules or regulations duly adopted by the Association or the Board of Directors, or the Architectural Committee Standards.

Section 2. Notice. Prior to the imposition of any sanction described in Section 1 of this Article, the Board of Directors or its delegate shall serve the alleged violator with written notice of the alleged violation and the Member's right to a hearing.

Section 3. Hearing. The hearing shall be held before the Board of Directors, or a tribunal appointed by the Board of Directors, affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction imposed hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors may, but shall not be obligated to, suspend any proposed sanction if the violation is cured prior to the date of the hearing. Such suspension shall not constitute a waiver of the right to impose sanctions as a result of future violations by any party of the same or other provisions and rules.

Section 4. Exceptions to Notice and Hearing Requirements. The provisions of Sections 2 and 3 of this Article shall not apply to the following sanctions:

- (a) the imposition of late payment fees, fines and interest on delinquent assessments;
- (b) the filing of liens for delinquent assessments;
- (c) actions or suits brought to enforce or foreclose liens for assessments;
- (d) the acceleration of the balance of any assessment in connection with the nonpayment of the assessment; and

BOOK 5220 PAGE 448

(e) unless otherwise required by the Declaration, the enforcement of any provision of the Declaration, these Bylaws, the Architectural Committee Standards, or the rules and regulations of the Association, by self-help (including, without limitation, the towing of vehicles parked in violation of the Declaration, the Architectural Committee Standards, or the rules and regulations).

Section 5. Application of Sanctions. Unless expressly limited by the Board of Directors, the sanctions described in this Article shall apply to the violating Member, his family, guests, tenants and other invitees.

Section 6. Additional Enforcement Rights. The Association shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration. In any such action, the Member or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees and costs and administrative fees and costs, actually incurred.

Section 7. Non-Waiver. Failure by the Board of Directors to enforce any covenant or restriction contained in the Declaration, the Architectural Committee Standards or other rules and regulations adopted by the Association shall not be construed or deemed a waiver of the right to do so thereafter.

ARTICLE XI

BOOKS AND RECORDS

In accordance with the Act, the books, records and papers of the Association shall at all times during reasonable business hours be subject to inspection by any Member at the principal office of the Association. Additionally, the Declaration, the Articles of Incorporation and these Bylaws shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

AMENDMENTS, DISSOLUTION AND CONFLICTS

Section 1. Amendment by Members. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of more than two-thirds (2/3) of the votes entitled to be cast by the Members present at the meeting, a quorum being present. For the purposes of this Section 1, the presence at the beginning of the meeting whether by proxy or in person of Members entitled to

BOOK 5220 PAGE 449

cast fifty percent (50%) of the votes entitled to be cast by all of the Members shall constitute a quorum.

Section 2. HUD/VA Approval. The Department of Housing and Urban Development and the Veteran's Association have the right to veto amendments to these Bylaws while there is a Class B membership, as provided in these Bylaws.

Section 3. Dissolution. The Association may not dissolve its existence nor dispose of any real property owned by the Association without the prior written approval from the Chesterfield County directors of planning, environmental engineering and transportation.

Section 4. Conflicts. If there is any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and if there is any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIII

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XIV

INTERPRETATION

These Bylaws shall be governed and construed in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, we, being all of the directors of Scotter Hills/Ridgemoor Townhouse Townhouse Association, Inc., have hereunto set our hands this ____ day of July, 2003.

ARCHITECTURAL REVIEW FORM

Scotter Hills/Ridgemoor Townhouse Association Architectural Review Committee

The Declaration of Covenants, Conditions and Restrictions require that a property owner obtain the written approval from the Architectural Review Community for any and all exterior alterations or additions to the property within Scotter Hills and Ridgemoor.

To comply with these documents please complete the form below. Attach a detailed drawing or blueprint of the proposed alteration or addition and a layout of the plan on a copy of your original land plat. The drawing should specify dimensions, materials to be used and colors. This application and the drawings will be retained for the committee records. Non-returnable paint samples are required for all exterior colors or stains to be used for decks or fences.

The committee has thirty (30) days from receipt of this form to reply to your request. Please be sure to include all information, and a phone number so that you may be contacted should additional information be required.

If the requested change is approved, the homeowner agrees to complete the alterations or additions within one (1) year from the date of approval. The homeowner agrees to comply with all applicable County and State building codes and laws, and to obtain all necessary building permits required.

Name(s) of Homeowner: _____

Address: _____

Home Phone: _____ Daytime Phone: _____

Desired Alteration or Addition: _____

_____	_____
_____	_____
_____	_____
_____	_____

Signature of Homeowner(s): _____

Date Submitted: _____ Projected Start Date: _____

Return this form, plans and samples to:

Stellar Community Management
Attn: Architectural Review Committee
P. O. Box 2657
Glen Allen, VA 23058-2657

ASSOCIATION USE ONLY:

APPROVED: ☐ DENIED: ☐ DATE: _____

SIGNATURE: _____

SIGNATURE: _____

ARCHITECTURAL REVIEW FORM

Scotter Hills/Ridgemoor Townhouse Association Architectural Review Committee

The Declaration of Covenants, Conditions and Restrictions require that a property owner obtain the written approval from the Architectural Review Community for any and all exterior alterations or additions to the property within Scotter Hills and Ridgemoor.

To comply with these documents please complete the form below. Attach a detailed drawing or blueprint of the proposed alteration or addition and a layout of the plan on a copy of your original land plat. The drawing should specify dimensions, materials to be used and colors. This application and the drawings will be retained for the committee records. Non-returnable paint samples are required for all exterior colors or stains to be used for decks or fences.

The committee has thirty (30) days from receipt of this form to reply to your request. Please be sure to include all information, and a phone number so that you may be contacted should additional information be required.

If the requested change is approved, the homeowner agrees to complete the alterations or additions within one (1) year from the date of approval. The homeowner agrees to comply with all applicable County and State building codes and laws, and to obtain all necessary building permits required.

Name(s) of Homeowner: _____

Address: _____

Home Phone: _____ Daytime Phone: _____

Desired Alteration or Addition: _____

Signature of Homeowner(s): _____

Date Submitted: _____ Projected Start Date: _____

Return this form, plans and samples to:

Stellar Community Management
Attn: Architectural Review Committee
P. O. Box 2657
Glen Allen, VA 23058-2657

ASSOCIATION USE ONLY:

APPROVED: ☐ DENIED: ☐ DATE: _____

SIGNATURE: _____

SIGNATURE: _____