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Tax Parcel No.: Part of 730-703-7384-00000

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**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

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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

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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.

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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

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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.

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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,

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

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.

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 the 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

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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.

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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

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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

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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

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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 VIII 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

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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.

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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

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COMMONWEALTH OF VIRGINIA

STATE AT LARGE, to-wit:

City of Richmond

The foregoing instrument was acknowledged before me this 31 day of July, 2003, by Herbert E. Fitzgerald 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: 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

CENTEX HOMES

3951 Westerre Pkwy., Ste 160
Richmond, VA 23233
804-521-3355

Scotter Hills/Ridgemoor Fence Guidelines, 7/16/04

Approval: ACC approval is required

Fence Height: Fences greater than 42" tall are not permitted with the exception of 6' privacy fences to match in style and color of the fences installed by the Declarant.

Materials: White Vinyl picket, posts set in concrete

Color: White

Location: See below

1. No fence shall impede the drainage or natural flow of surface storm water or to conflict with utilities or utility easements.
2. No front yard fences are permitted. All fences shall not be taller than 42" tall with the exception of 6' privacy fences to match in style and color the fences installed by the Declarant. All fences must be white PVC.
3. All fences must not be located closer to the front yard than the rear-building corner.
4. The enclosed portion of the fenced area shall not extend beyond the rear property line. Drainage and utility easements may not permit a fence to be constructed to the rear property line.
5. All fences shall follow County requirements as it relates to fences in easements. It is the responsibility of the homeowner to obtain all municipal approvals and permits if required.
6. Areas enclosed by fencing, landscaping or by other barriers will not be maintained by the association. It is the homeowner's responsibility to maintain an enclosed area.

Orientation: Posts shall be exposed to the interior of the lot. The best visually appealing side of the fence shall be facing the street or neighbor's lot.

Zoning:

Any fence must comply with applicable governmental regulations. Any governmental regulation shall take precedent over these guidelines. It is the homeowner's responsibility to check with the governmental authorities as it pertains to locating fences in easements, obtaining permits etc.